

May 12, 2022

To,  
Listing Department  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400 001

Dear Sir/Madam,

**Sub: Voluntary open Offer pursuant to Regulation 6 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (“SEBI (SAST) Regulations”) for the acquisition of up to 40,00,000 equity shares representing 10.11% of the fully diluted voting share capital of Sicagen India Limited (“Target Company”), from the public shareholders of the Target Company by AMI Holdings Private Limited (“Acquirer”) (“Voluntary Open Offer”).**

We have been appointed as ‘Manager’ to the captioned Open Offer by the Acquirer in terms of regulation 12(1) of the Takeover Regulations. In this regard, we are enclosing the following for your kind reference and records:

1. An original copy of Draft Letter of Offer dated May 12, 2022 (“DLOF”) duly signed by the Acquirer.
2. Soft copy of DLOF through Email.

Kindly take the above information on your records and disseminate the DLOF on the website of BSE Limited.

In case of any clarification required, please contact the persons as mentioned below:

<u>Contact Person</u>	<u>Designation</u>	<u>Contact Number</u>	<u>E-mail Id</u>
Gaurav Khandelwal	Vice President	9769340475	<a href="mailto:gaurav@saffronadvisor.com">gaurav@saffronadvisor.com</a>
Elton D'souza	Assistant Vice President	9769956680	<a href="mailto:elton@saffronadvisor.com">elton@saffronadvisor.com</a>

**For Saffron Capital Advisors Private Limited**



**Gaurav Khandelwal**  
Vice President  
Equity Capital Markets

**DRAFT LETTER OF OFFER (“DLOF”)****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

This Draft Letter of Offer is being sent to you as a shareholder(s) of Sicagen India Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In the event you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer to the purchaser of the Equity Shares or the member of the stock exchange through whom the said sale was effected.

**OPEN OFFER BY****AMI HOLDINGS PRIVATE LIMITED (“Acquirer”)**

**Registered Office:** No.88, SPIC House, Mount Road, Guindy, Chennai – 600032; Tamil Nadu;

**Email id:** [amiholdings2012@gmail.com](mailto:amiholdings2012@gmail.com)

**Corporate Identification Number:** U65921TN1992PTC100374

To the Eligible Shareholder(s)  
of

**Sicagen India Limited (“Target Company”)**

**Registered Office:** SPIC House, 4th Floor, 88 Mount Road, Guindy, Chennai – 600032, Tamil Nadu;

**Tel. No.:** +91 44 40754075; **Email:** [companysecretary@sicagen.com](mailto:companysecretary@sicagen.com); **Website:** [www.sicagen.com](http://www.sicagen.com);

**Corporate Identification Number:** L74900TN2004PLC053467

to acquire upto **40,00,000** (Forty Lacs only) fully paid Equity Shares of face value ₹ **10/-** each (“**Offer Shares**”) representing **10.11%** of the fully paid-up equity share capital and voting capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer, for cash at a price of ₹ **32/- (Rupees Thirty Two Only)** per equity share (“**Offer Price**”).

**Please Note:**

1. This Offer is being made by the Acquirer pursuant to Regulation 6 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. To the best of the knowledge of the Acquirer, as on the date of this Draft Letter of Offer, there are no statutory approvals required for the purpose of implementing this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price and/or Offer Size by the Acquirer, at any time up to 1 (one) working day prior to the commencement of the Tendering Period i.e. Tuesday, June 21, 2022 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 Acquirer for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the Detailed Public Statement was published.
7. A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer are also available on SEBI’s website: [www.sebi.gov.in](http://www.sebi.gov.in).

All future correspondence, if any, should be addressed to the Manager to the Offer/ Registrar to the Offer at the address mentioned below:

	
<p><b>Saffron Capital Advisors Private Limited</b> 605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059, India; Tel. No.: +91 22 4973 0394; Fax No.: NA; Email id: <a href="mailto:openoffers@saffronadvisor.com">openoffers@saffronadvisor.com</a>; Website: <a href="http://www.saffronadvisor.com">www.saffronadvisor.com</a>; <b>Investor grievance:</b> <a href="mailto:investorgrievance@saffronadvisor.com">investorgrievance@saffronadvisor.com</a>; <b>SEBI Registration Number:</b> INM000011211; <b>Validity:</b> Permanent <b>Contact Person:</b> Mr. Gaurav Khandelwal/ Mr. Elton D’souza</p>	<p><b>Cameo Corporate Services Limited</b> “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India; <b>Tel:</b> +91 44 4002 0700; <b>Fax:</b> +91 44 2846 0129 <b>Email:</b> <a href="mailto:investor@cameoindia.com">investor@cameoindia.com</a> <b>Website:</b> <a href="http://www.cameoindia.com">www.cameoindia.com</a> <b>SEBI Registration:</b> INR000003753 <b>Validity:</b> Permanent <b>Contact Person:</b> Ms. Sreepriya. K</p>
<p><b>OFFER OPEN ON:</b> [●]</p>	<p><b>OFFER CLOSES ON:</b> [●]</p>

## SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

<b>Activity</b>	<b>Day and Date</b>
Public Announcement (PA)	Friday, April 29, 2022
Publication of DPS in the newspapers	Monday, May 09, 2022
Filing of the draft letter of offer with SEBI	Monday, May 16, 2022
Last date for a competitive bid	Monday, May 30, 2022
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Monday, June 06, 2022
Identified Date*	Wednesday, June 08, 2022
Letter of Offer to be dispatched to Eligible Shareholders	Wednesday, June 15, 2022
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Monday, June 20, 2022
Last date for revising the Offer price/ number of shares	Tuesday, June 21, 2022
Date of publication of Offer Opening Public Announcement	Tuesday, June 21, 2022
Date of commencement of Tendering Period (Offer Opening Date)	Wednesday, June 22, 2022
Date of Expiry of Tendering Period (Offer Closing Date)	Tuesday, July 05, 2022
Last Date for completion of all requirements including payment of consideration	Tuesday, July 19, 2022

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

## **RISK FACTORS**

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### **I. RISK FACTORS RELATING TO THE TRANSACTION**

- As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case if any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. As per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond 10th Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirer shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves 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 that may be necessary at a later date are refused.
- If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

### **II. RISKS RELATING TO THE OFFER**

- This Open Offer is an offer to acquire up to 10.11% of the fully paid-up equity share capital and voting capital of the Target Company from the Eligible Shareholders. In case Equity Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation on behalf of Eligible Shareholders till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer makes no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Draft Letter of Offer / Detailed Public Statement / Public Announcement

and anyone placing reliance on any other source of information (not released by the Acquirer, or the Manager to the Offer) would be doing so at his/her/their own risk.

- Eligible 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 the Equity Shares in this Offer and dispatch of consideration are delayed.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- This Offer is subject to completion risks as would be applicable to similar transactions.

### **III. Risks relating to Acquirer and the Target Company**

- Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company and make no assurance with respect to the future performance of the Target Company.
- The Acquirer cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and the Acquirer expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Eligible Shareholder on whether to participate or not to participate in the Offer.

*The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirer, but are only indicative and are not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by an Eligible Shareholder. The Eligible Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.*

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## I. KEY DEFINITIONS

<b>Acquirer</b>	Ami Holdings Private Limited having its registered office at No.88, SPIC House, Mount Road, Guindy, Chennai - 600032, Tamil Nadu
<b>Board of Directors</b>	Board of Directors of the Target company
<b>BSE</b>	BSE Limited
<b>Buying Broker</b>	Stock broker appointed by Acquirer for the purpose of this Open Offer i.e. Choice Equity Broking Private Limited
<b>Companies Act</b>	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time
<b>Depositories</b>	NSDL and CDSL
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated May 05, 2022 issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all editions of Financial Express (English), Jansatta (Hindi), Pratahakal (Marathi) and Makkal Kural (Tamil) on May 06, 2022, in accordance with the Regulations 6 read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the SEBI (SAST) Regulations
<b>DIN</b>	Director Identification Number
<b>DP</b>	Depository participant
<b>DLOF/ Draft Letter of Offer</b>	This Draft Letter of Offer dated May 12, 2022
<b>Eligible Shareholders / Public Shareholders</b>	All owners (registered or unregistered) of Equity Shares of the Target Company (except Acquirer and Promoter and Promoter Group members of the Target Company) are eligible to participate in the Offer any time before the closure of the Offer
<b>EPS</b>	Earnings Per Share calculated as Profit after tax divided by Number of equity shares issued
<b>Equity Share(s)/ Share(s)</b>	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees Ten) per equity share
<b>Equity Share Capital</b>	The Issued, Subscribed and Paid Up Equity Share Capital of the Target Company is ₹ 39,57,16,840 comprising of 3,95,71,684 Equity Shares of face value ₹ 10 each of the Target Company as on the date of this Draft Letter of Offer
<b>Escrow Agreement</b>	Escrow Agreement entered between the Acquirer, Escrow Agent and Manager to the Offer
<b>Escrow Bank / Escrow Agent</b>	ICICI Bank Limited
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FII(s)</b>	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, 1961 which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
<b>Identified Date</b>	Wednesday, June 08, 2022 i.e., the date falling on the 10 <sup>th</sup> (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
<b>Letter of Offer/ LOF</b>	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer
<b>Manager to the Offer</b>	Saffron Capital Advisors Private Limited
<b>NRI</b>	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
<b>Offer/Open Offer</b>	40,00,000 (Forty Lacs Only) fully paid-up equity share of face value of ₹ 10/- each representing 10.11% of fully paid-up equity share capital and voting capital of the Target Company at a price of ₹ 32 (Rupees Thirty Two only) per Equity Share payable in cash

<b>Offer Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 12,80,00,000/- (Rupees Twelve Crores Eighty Lacs only)
<b>Offer Period</b>	Period commencing from Friday, April 29, 2022 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be
<b>Offer Price</b>	₹ 32 (Rupees Thirty Two only) per Equity Share
<b>Offer Size / Offer Shares</b>	40,00,000 (Forty Lacs Only) fully paid-up equity shares of face value of ₹ 10/- each representing 10.11% of fully paid-up equity share capital and voting capital of the Target Company
<b>Public Announcement/PA</b>	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on April 29, 2022 in accordance with SEBI (SAST) Regulations
<b>Promoter and Promoter Group</b>	Shall mean (i) Mr. Ashwin C Muthiah, (ii) Valli Ashwin Muthiah (iii) Southern Petrochemical Industries Corporation Limited (iv) Express Carriers Limited (v) South India Travels Private Limited (vi) Ranford Investments Limited (vii) Darnolly Investments Limited of the Target Company
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Cameo Corporate Services Limited
<b>SCRR</b>	Securities Contract (Regulations) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992, as amended
<b>SEBI (SAST) Regulations, 1997</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof
<b>SEBI (SAST) Regulations</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof.
<b>Selling Broker</b>	Respective stock brokers of all Eligible Shareholders who desire to tender their Shares under the Open Offer
<b>Stock Exchange</b>	BSE Limited
<b>SEBI LODR Regulations</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto.
<b>Target Company</b>	Sicagen India Limited having its registered office at SPIC House, 4th Floor, 88 Mount Road, Guindy. Chennai – 600032, Tamil Nadu
<b>Tendering Period</b>	Wednesday, June 22, 2022 to Tuesday, July 05, 2022
<b>Working Day</b>	Working days of SEBI



## II. DISCLAIMER CLAUSE

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“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SICAGEN INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 12, 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

### III. DETAILS OF THE OFFER

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#### A) Background of the Offer

1. This Open Offer is being made pursuant to Regulation 6 of the SEBI (SAST) Regulations as a result of a direct substantial acquisition of Equity Shares and voting rights of the Target Company by the Acquirer.
2. The Committee of Independent Directors on the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Monday, June 20, 2022.
3. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company.

#### B) Details of the proposed Offer:

1. The Public Announcement announcing the Open offer, under Regulations 6(1) was made on Friday, April 29, 2022 to BSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office on Friday, April 29, 2022.
2. The Acquirer has published the DPS on Friday, May 06, 2022 which appeared in the following newspapers:

<i>Sr. No.</i>	<i>Newspapers</i>	<i>Language</i>	<i>Editions</i>
1	Financial Express	English	Nation wide
2	Jansatta	Hindi	Nation wide
3	Pratahakal	Marathi	Regional
4	Makkal Kural	Tamil	Registered Office of Target Company

A copy of the DPS is also available on the SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in). Simultaneously, in accordance with the provisions of Regulation 14(4) of SEBI (SAST) Regulations, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; and (iii) the registered office of the Target Company on May 06, 2022.

3. The Acquirer has deposited 100% of the total consideration payable to the Public Shareholders under this Offer in compliance with the Regulation 22(2) of the SEBI (SAST) Regulations.
4. This Open Offer is being made to all the equity shareholders of Target Company other than Acquirer and members of Promoter and Promoter Group of the Target Company to acquire up to 40,00,000 (Forty Lacs Only) fully paid Equity Shares of the Target Company, of face value ₹ 10 each (“**Offer Shares**”) representing 10.11% of fully paid-up equity share capital and voting capital of the Target Company, at a price of ₹ 32 per share (“**Offer Price**”), aggregating to ₹ 12,80,00,000/- (Rupees Twelve Crore Eighty Lacs only), (“**Open Offer**”).
5. The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
6. There are no partly paid-up Equity Shares in the Target Company.
7. This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations. Further, there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations.
8. There is no differential pricing for this Offer.
9. The Equity Shares of the Target Company will be acquired by the Acquirer under the Offer as fully paid up, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
10. To the best of the knowledge and belief of the Acquirer, as on the date of this Draft Letter of Offer, there are no statutory or other approvals required to implement the Offer other than as indicated in

section VII of this Draft Letter of Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.

11. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
12. To the extent the post offer holding of the Acquirer exceeds the maximum permissible non-public shareholding in terms of Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI LODR Regulations**”) read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (“**SCRR**”), the Acquirer undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.
13. The Acquirer shall not be entitled to acquire any equity shares of the Target Company for a period of six months after completion of the open offer except pursuant to another voluntary open offer.
14. The Acquirer has not acquired any Equity Shares of the Target Company after the date of PA, i.e. April 29, 2022 and up to the date of this DLOF.
15. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.

#### **IV. OBJECT OF THE ACQUISITION/ OFFER**

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1. The primary objective of the Acquirer for the above mentioned acquisition is substantial acquisition of shares and voting rights in the Target Company.
2. The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through Special Resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

## V. BACKGROUND OF THE ACQUIRER

### 1. INFORMATION ABOUT THE ACQUIRER:

- 1.1 The Acquirer was incorporated on March, 23 1992 under the Companies Act, 1956 in the name and style of “Pragjyotish Hire Purchase Company (India) Private Limited” which was changed to “Ami Holdings Private Limited” on August 22, 2012 vide Certificate of Incorporation issued by Registrar of Companies, Assam, Tripura, Manipur, Nagaland, Meghalaya, Arunachal Pradesh and Mizoram. The Corporate Identification Number of the Acquirer is U65921TN1992PTC100374.
- 1.2 The Registered office of the Acquirer is situated at No.88, SPIC House, Mount Road, Guindy, Chennai -600032, Tamil Nadu.
- 1.3 The Acquirer was an NBFC registered with The Reserve Bank of India (RBI) vide Certificate no: B-07.00813. The business activity pursued by the Acquirer is that of investing in group companies which satisfies the norms prescribed for Core Investment Company (CIC) by RBI which does not require a license. Consequently, in May 2018, the Acquirer surrendered the license to RBI.
- 1.4 The acquirer does not belong to any group. Directors and promoters of the Acquirer are deemed persons acting in concert under SEBI (SAST) Regulations. However, they are not interested or participating in this Open Offer. Accordingly, no person is acting in concert with the Acquirer for the purpose of this Open Offer.
- 1.5 The networth of Acquirer as on March 31, 2021 is ₹ 20381.46 Lacs only (Rupees Twenty Thousand Three Hundred Eighty One Lacs and Forty Six Thousand Only) and the same is certified by CN Gangadaran Proprietor of CNGSN Associates LLP (Membership No.11205), Firm Registration No.: (04915S), having office at Agastyar Manor, No.20, Raja Street, T Nagar, Chennai-600017; Email id: info@cngsn.com; vide certificate dated April 05, 2022 having UDIN 22011205AGKUTM5927.
- 1.6 Mr. Ashwin C Muthiah and Mrs. Valli Ashwin Muthiah, the promoters of the Acquirer are also the promoters of the Target Company. Mr. Aswin C Muthiah, the director of the Acquirer is also a member of board of directors of the Target Company. Acquirer is a deemed promoter group member of the Target Company.
- 1.7 The Acquirer confirms that it has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (“SEBI Act”) or under any other Regulation made under the SEBI Act.
- 1.8 The Acquirer confirms that it is not categorized as a “willful defaulter” in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
- 1.9 The Acquirer confirms that none of its promoters or directors or persons in control have been classified as a “Fugitive Economic Offender” under the Fugitive Economic Offenders Act, 2018.
- 1.10 The Acquirer confirms that there are no pending litigations and contingent liabilities except, the ongoing matter of disputed tax demand for AY 2018-19 for ₹ 42.42 lacs which is pending for appeal with Commissioner of Income Tax (Appeals).
- 1.11 The Acquirer does not hold/never held any equity shares of the Target Company. Hence compliance with SEBI (SAST) Regulations is not applicable.
- 1.12 Acquirer undertakes not to sell the equity shares of the Target Company held by it during the “Offer Period” in terms of Regulation 25(4) of the Takeover Regulations.
- 1.13 None of the securities of Acquirer are listed on any of the stock exchanges in India or outside India.

### 2. Details of Equity Shareholding of the Acquirer in the Target Company:

Details	No. and Percentage of Shares held
Shareholding as on the PA date	NIL
Shares acquired between the PA date and the DPS date	NIL
Equity Shares proposed to be acquired in the Offer ( <i>assuming full acceptance</i> )	40,00,000 (10.11%)

<b>Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period</b>	40,00,000 (10.11%)

### 3. Shareholding pattern of Acquirer:

Sr. No.	Shareholder's category	Total Equity shares	% of shares held
1	Promoters	17,73,39,990	100
2	FII/Mutual Funds/FIs/Banks	-	-
3	Public	10	0
	<b>Total Paid up capital</b>	<b>17,73,40,000</b>	<b>100</b>

### 4. Details of the Directors of Acquirer:

Name of Director	DIN	Date of Appointment	Experience	Education
Ashwin C Muthiah*	00255679	July 05, 2012	He is a third-generation business leader who has led AM International since 2001	MBA from Philadelphia University
Mohan Kumar	03497653	August 09, 2019	A qualified CA having 42 years of experience in Finance and General Administration of companies	Bachelors of Science and a member of the Institute of Chartered Accountants of India
Rangaswami Natarajan Edayathumangalam	06463753	November 08, 2013	Working in MAC group from 1992	Diploma in Computer Practice and Applications

\*Mr. Ashwin C Muthiah is already on the Board of Directors of Target Company. Apart from Mr. Ashwin C Muthiah, none of the director of Acquirer is on the board of directors of Target Company.

5. The key financial information of the Acquirer based on the unaudited financial results for the period ended December 31, 2021 and the audited financial statements for the financial years ended March 31, 2021, 2020 and 2019 and are as follow:

Profit & Loss Statement	For the period ended December 31, 2021 (Standalone)*	For the financial year ended March 31,		
		2021 (Consolidated)	2020 (Consolidated)	2019 (Consolidated)
Income from operations	0.00	632.83	771.37	954.76
Other Income	0.00	3.72	3.18	0.72
<b>Total Income</b>	<b>0.00</b>	<b>636.55</b>	<b>774.55</b>	<b>955.47</b>
<b>Total Expenditure.</b>	<b>4.71</b>	<b>631.60</b>	<b>781.00</b>	<b>965.54</b>
Profit Before Depreciation Interest and Tax	(4.71)	4.95	(6.45)	(10.07)
Depreciation	0.00	0.01	0.02	0.06
Interest	0.00	0.00	0.00	0.00
<b>Profit Before Tax</b>	<b>(4.71)</b>	<b>4.95</b>	<b>(6.45)</b>	<b>(10.07)</b>
Provision for Tax	0.00	2.42	3.55	1.70
<b>Profit After Tax</b>	<b>0.00</b>	<b>2.52</b>	<b>(10.00)</b>	<b>(11.77)</b>
Balance Sheet Statement	For the period ended December 31, 2021 (Standalone)*	2021 (Consolidated)	2020 (Consolidated)	2019 (Consolidated)
<b>Sources of funds</b>				
Paid up share capital	17734.00	17734.00	17734.00	17734.00

Reserves and Surplus (excluding revaluation reserves)	2642.75	3625.73	5523.86	5965.16
<b>Net worth</b>	<b>20376.75</b>	<b>21359.73</b>	<b>23257.86</b>	<b>23699.16</b>
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Uses of funds</b>				
Net fixed assets	0.00	0.00	0.01	0.03
Investments	0.00	0.00	0.00	19.61
Net current assets	1203.39	1890.12	2273.51	2284.18
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
<b>Total</b>	<b>21580.13</b>	<b>23249.85</b>	<b>25531.38</b>	<b>26002.98</b>

*\*Unaudited financials for the period ended December 31, 2021 certified by management.*

Other Financial Data	For the period ended December 31, 2021	For the year ended March 31		
		2021	2020	2019
Dividend (%)	-	-	-	-
Earnings Per Share (₹)	-	(1.07)	(0.25)	(0.17)

6. As per Annual Report of Acquirer, Contingent liabilities as on March 31, 2021 is ₹ 42.42 Lacs.

## **VI. BACKGROUND OF THE TARGET COMPANY**

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

1. The Target Company was incorporated on June 11, 2004 under the Companies Act 1956 in the name and style of “Sical Logistics Ltd”. The name of the Target Company was changed to “Sicagen India Limited” on February 10, 2006 vide Certificate of Incorporation issued by Registrar of Companies, Tamil Nadu. The Company Identification Number of the Target Company is L74900TN2004PLC053467.
2. The Registered Office of the Target Company is situated at SPIC House, 4th Floor, 88 Mount Road, Guindy, Chennai – 600032, Tamil Nadu, India; Email: [companysecretary@sicagen.com](mailto:companysecretary@sicagen.com); Website: [www.sicagen.com](http://www.sicagen.com).
3. Initially the Shares of Target Company were listed on BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The Target Company has voluntarily delisted from NSE with effect from July 29, 2021. Presently, the Target Company is listed only on BSE Limited only, having Scrip Code 533014. The ISIN of Equity Shares of Target Company is INE176J01011 (Source: [www.bseindia.com](http://www.bseindia.com))
4. The objects of the Target Company as per its Memorandum of Association include:
  - *To buy, sell and deal in Iron and steel pipes, tubes, fittings, all kinds of building materials and to carry on the trades of hardware merchants, general merchants, carriers by land and sea, forwarding and commission agents, exchange brokers.*
  - *To carry on the business of manufacturers, fabricators, assemblers and dealers of all kinds and components and parts forming part of or being accessory to the electrical systems of automobiles of all descriptions, tractors and agricultural machinery, railway engines and coaches and stationary engines and also aero and machine engines, including starter motors, dynamos, alternators, fuel pumps, voltage regulators, cut outs, ignition coils, distributors, spark plugs, bulbs, auto lamps, fuses traffic indicators and flashers, horns, windscreen wiper motors, head lamps, parking lights, sealed beams, switches, relays, electronic instruments, timers and devices for indication of speed, mileage, fuel, lubricant, coolant and battery charge levels, consumption rates, engine performance and any other device or component connected with running the maintenance of machinery, vehicles and engines.*
  - *To buy, sell, import, export, deal in, and manufacture all kinds of chemicals, inorganic, organic, compounds, specialty chemicals and plant grown regulators.*
5. The Target Company is engaged in the business of providing value-added solutions to infrastructure, industrial packaging and specialty chemicals for water treatment. (Source: [www.sicagen.com](http://www.sicagen.com))
6. The Authorized Share Capital of the Target Company is ₹75,00,00,000 (Rupees Seventy Five Crores) comprising of 5,00,00,000 (Five Crores) equity shares of ₹10/- and 2,50,00,000 (Two Crore Fifty Lakhs) Redeemable Preference Shares of ₹10 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 39,57,16,840 (Rupees Thirty Nine Crores Fifty Seven Lakh Sixteen Thousand Eight Hundred and Forty only) comprising of 3,95,71,684 Equity Shares of face value ₹ 10 each.
7. As on the date of this Draft Letter of Offer, there are no outstanding partly paid up shares of the Target Company and there are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.
8. The Equity Shares of the Target Company are frequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations. (Source: [www.bseindia.com](http://www.bseindia.com)).
9. No merger / demerger / spin off have taken place in the Target Company during the last three years.
10. **The share capital structure of the Target Company as of the date of this Draft Letter of Offer is:**
  - a. **Equity Share Capital**



<i>Issued and Paid-up Equity Share of Target Company</i>	<i>Pre – Open Offer</i>		<i>Post – Open Offer</i>	
	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>
Fully paid-up Equity Shares	3,95,71,684	100.00	3,95,71,684	100.00
Partly paid-up Equity Shares	NIL	NIL	NIL	NIL
Total paid-up Equity Shares	3,95,71,684	100.00	3,95,71,684	100.00
<b>Total Voting Rights in Target Company</b>	<b>3,95,71,684</b>	<b>100.00</b>	<b>3,95,71,684</b>	<b>100.00</b>

**b. Preference Share Capital**

<i>Issued and Paid-up RPS of Target Company</i>	<i>Pre – Open Offer</i>		<i>Post – Open Offer</i>	
	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>
Fully paid-up RPS	NIL	NIL	NIL	NIL
Partly paid-up RPS	NIL	NIL	NIL	NIL
Total paid-up RPS	NIL	NIL	NIL	NIL
<b>Total Voting Rights in Target Company</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>

11. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

<b>Name of the Director</b>	<b>Whether Executive/ Independent</b>	<b>Address</b>	<b>DIN</b>	<b>Date of Appointment/ Re-appointment</b>
Mr. Ashwin C Muthiah	Non-Executive - Non Independent Director- Chairperson	No. 26B, Adyar House, Gandhimandapam Road, Chennai - 600085.	00255679	December 10, 2012
Mr. B Narendran	Non-Executive - Independent Director	No.2/4, 1 <sup>st</sup> Floor, 1 <sup>st</sup> Street, Venus Colony, Teynampet, Chennai - 600018.	01159394	August 11, 2019
Mrs. Sashikala Srikanth	Non-Executive - Independent Director	No.12, Raja Street, VGP Golden Beach South Part 1, Sholinganallur, Akkarai, Chennai - 600119.	01678374	August 11, 2019
Mrs. Rita Chandrasekar	Non-Executive - Independent Director	No.486, 3 <sup>rd</sup> South Main Road, Kapaleeswarar Nagar, Neelkankarai, Chennai- 600115	03013549	June 28, 2017
Mr. S Radhakrishnan	Non-Executive - Independent Director	Flat No. A-22, Arcot Terrace, 160, NSK Salai, Vadapalani, Chennai-600032	00061723	August 09, 2018
Mr. R Chandrasekar	Executive Director	4G, C Block, Ratna Apartments, 35, Velacherry Main Road, Chennai 600042	06374821	November 28, 2021
Mr. M Rajamani	Non-Executive - Independent Director	Old no.15, New no.14, 6 <sup>th</sup> Main road, Dhandeeswaram Nagar, Velacherry, Chennai 600042	00195006	November 28, 2021
Mr. S R Ramakrishnan	Non-Executive - Non Independent Director	Plot No.74, Sheela Nagar First Street, Madipakkam, Chennai-600091	00120126	December 01, 2018

(Source: [www.mca.gov.in](http://www.mca.gov.in))

12. Except Mr. Aswin C Muthiah who is also one of the current promoters and directors of Acquirer and Director of the Target Company, the Acquirer does not have any representative on the Board of Directors of the Target Company as on the date of this Draft Letter of Offer.
13. The key financial information of the Target Company based on the unaudited financial results for the period ended December 31, 2021 and the audited financial statements for the financial years ended March 31, 2021, 2020 and 2019 and are as follow:

(₹ in Lakhs)

Profit & Loss Statement	Period ended Dec 31, 2021 *	For the financial year ended March 31,		
		2021	2020	2019
Revenue from Operations	52,059	54,163	69,886	82,034
Other Income	595	837	1,104	1,677
<b>Total Income</b>	<b>52,654</b>	<b>55,000</b>	<b>70,990</b>	<b>83,711</b>
<b>Total Expenditure</b>	<b>51,881</b>	<b>54,856</b>	<b>70,649</b>	<b>83,427</b>
Profit Before Depreciation Interest and Tax	2,006	1,684	2,236	1,821
Depreciation	811	994	1,014	624
Finance Cost	422	546	881	913
Profit / (Loss) before Exceptional items and Tax	773	144	341	284
Exceptional Items	840	0	0	0
<b>Profit Before Tax</b>	<b>(67)</b>	<b>144</b>	<b>341</b>	<b>284</b>
Provision for Tax	406	464	305	271
<b>Profit After Tax</b>	<b>(473)</b>	<b>(320)</b>	<b>36</b>	<b>13</b>
Balance Sheet Statement	Period ended Dec 31, 2021 *	For the financial year ended March 31,		
		2021	2020	2019
<b>Sources of Funds</b>				
Paid up share capital (Equity)	3,957	3,957	3,957	3,957
Share Capital Pending Allotment upon Scheme of Arrangement	-	-	-	-
Reserves and Surplus	37,495	35,514	33,565	34,287
<b>Networth</b>	<b>41,452</b>	<b>39,471</b>	<b>37,522</b>	<b>38,244</b>
Long Term Borrowings				
Non Current Liabilities - Provisions	1,582	1,581	1,602	1,848
Deferred Tax Liabilities	276	289	290	262
Trade Payables	9,113	5,284	10,187	15,029
Other Financial Liabilities	515	745	558	602
Other Current Liabilities	639	561	480	530
Current Liabilities - Provisions	92	128	204	170
<b>Total</b>	<b>12,217</b>	<b>8,588</b>	<b>13,321</b>	<b>18,441</b>
<b>Use of Funds</b>				
Non Current Assets	22,787	22,424	20,691	19,855
Non-current investments	305	309	315	321
Other Non-current assets	358	278	238	279
Long Term Loans & Advances	1,747	1,815	1,851	2,081
Non Current – Other Financial Assets	0	0	0	0
Current Investments	0	0	0	0

Inventories	11,313	10,465	13,259	11,564
Trade Receivables	21,178	17,058	20,607	26,747
Cash and Bank Balances	1,690	3,500	1,672	7,398
Short term loans & advances	2	1	1	1
Other Financial Assets	0	0	0	0
Current Tax Assets (Net)	392	515	663	743
Other current assets	5,216	1,922	3,369	1,896
<b>Total</b>	<b>64,988</b>	<b>58,287</b>	<b>62,666</b>	<b>70,885</b>

\*Unaudited financials for the period ended December 31, 2021.

Other Financial Data	For the period ended December 31, 2021	For the year ended March 31		
		2021	2020	2019
Dividend (%)	-	-	-	-
Earnings Per Share (₹)	(1.2)	(0.81)	0.09	0.03
Return on Net worth (%)	(1.14)	(0.81)	0.10	0.03
Book Value per share (₹)	0.10	0.10	0.11	0.10

**14. Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:**

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/ voting rights agreed to be acquired which has triggered the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter and Promoter Group</b>								
a. Parties to the SPA:	0	0	0	0	0	0	0	0
b. Promoters other than (a) above, excluding Acquirer	1,53,47,583	38.78	0	0	0	0	1,53,47,583	38.78
<b>Total (1)</b>	<b>1,53,47,583</b>	<b>38.78</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,53,47,583</b>	<b>38.78</b>
<b>(2) Acquirer</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>40,00,000</b>	<b>10.11</b>	<b>40,00,000</b>	<b>10.11</b>
<b>(3) Parties to SPA other than (1)(a) &amp; (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(4) Public</b>	2,42,24,101	61.22	0	0	(40,00,000)	(10.11)	2,02,24,101	51.11
<b>Total (4)</b>	<b>2,42,24,101</b>	<b>61.22</b>	<b>0</b>	<b>0</b>	<b>(40,00,000)</b>	<b>(10.11)</b>	<b>2,02,24,101</b>	<b>51.11</b>
<b>Grand Total (1+2+3+4)</b>	<b>3,95,71,684</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,95,71,684</b>	<b>100</b>

**VII. OFFER PRICE AND FINANCIAL ARRANGEMENTS**

**A) JUSTIFICATION FOR THE OFFER PRICE**

- The Equity Shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA (April 2021 to March 2022) is as given below:

Stock Exchange	Total no. of Equity Shares traded during the twelve calendar months prior to the month of PA	Total no. of listed Equity Shares	Annualized trading turnover (as % of Equity Shares listed)
BSE	72,10,938	3,95,71,684	18.22

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

- Based on the information provided in point above, the equity shares of the Target Company are frequently traded on the BSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- The Offer Price of ₹ 32 (Rupees Thirty Two only) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
a)	The volume-weighted average price paid or payable for acquisition, by the Acquirer, during the fifty two weeks immediately preceding the date of PA;	Not Applicable
b)	The highest price paid or payable for any acquisition, by the Acquirer, during the twenty six weeks immediately preceding the date of PA	Not Applicable
c)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	₹24.43
d)	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager taking into account valuation parameters per Equity Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	Not Applicable

- The price and volume data of the Equity Shares on BSE for a period of 60 trading days immediately preceding the date of the PA, as per Regulation 8(2) of the Takeover Regulations, is set forth below:

Sr. No.	Date	Open Price	High Price	Low Price	Close Price	WAP (A)	No. of Shares (B)	Product = C = (A*B)
1	28-Apr-22	26.00	26.00	25.00	25.70	25.18	13390	337160
2	27-Apr-22	25.25	26.50	24.75	25.55	25.40	18684	474574
3	26-Apr-22	26.70	26.70	25.50	25.70	25.96	20868	541733
4	25-Apr-22	24.70	26.60	24.00	25.65	26.07	57703	1504482
5	22-Apr-22	24.65	25.00	24.10	24.20	24.51	19443	476584
6	21-Apr-22	24.75	25.00	24.15	24.65	24.66	9293	229209
7	20-Apr-22	25.00	25.00	24.00	24.70	24.32	4135	100580
8	19-Apr-22	25.00	25.20	24.25	24.50	24.77	15050	372825
9	18-Apr-22	25.00	25.00	24.00	24.65	24.50	6215	152251
10	13-Apr-22	25.45	25.75	24.30	24.80	24.91	5390	134255
11	12-Apr-22	26.00	26.00	24.10	24.95	24.72	9374	231731
12	11-Apr-22	24.45	26.60	24.45	25.40	25.43	21473	545977
13	08-Apr-22	25.75	25.75	24.10	24.45	24.64	17260	425230
14	07-Apr-22	24.10	26.00	23.50	24.50	24.90	47971	1194552
15	06-Apr-22	23.75	24.55	22.75	24.05	24.10	17450	420580
16	05-Apr-22	23.00	23.65	22.75	23.50	23.22	12903	299661
17	04-Apr-22	22.25	23.70	22.00	23.20	22.91	25800	590999
18	01-Apr-22	21.50	23.10	21.50	23.00	22.68	10017	227144
19	31-Mar-22	22.10	22.40	21.50	22.00	21.91	17807	390170

20	30-Mar-22	22.00	22.30	21.25	22.10	21.76	10787	234690
21	29-Mar-22	22.10	22.70	21.50	21.60	21.93	52798	1157666
22	28-Mar-22	23.00	23.40	22.05	22.15	22.62	17191	388810
23	25-Mar-22	22.25	22.95	22.00	22.30	22.39	6789	151995
24	24-Mar-22	22.90	23.00	22.10	22.35	22.69	12653	287114
25	23-Mar-22	22.50	23.20	22.05	22.30	22.48	34302	771141
26	22-Mar-22	23.25	23.35	22.55	22.70	22.92	5484	125709
27	21-Mar-22	24.00	24.00	22.65	22.90	23.03	16201	373101
28	17-Mar-22	24.00	24.00	23.10	23.80	23.66	13938	329792
29	16-Mar-22	23.25	23.80	22.00	23.70	22.63	22827	516682
30	15-Mar-22	24.75	24.75	23.00	23.00	23.42	16368	383291
31	14-Mar-22	25.00	25.35	24.00	24.20	24.42	37704	920778
32	11-Mar-22	22.75	24.50	22.75	24.20	23.73	17349	411696
33	10-Mar-22	22.95	23.80	22.95	23.50	23.46	10358	242971
34	09-Mar-22	22.50	22.80	21.80	22.70	22.24	11172	248473
35	08-Mar-22	22.70	22.70	21.65	22.20	21.95	7887	173105
36	07-Mar-22	23.25	23.25	21.70	22.50	22.38	10545	235983
37	04-Mar-22	23.00	23.00	22.00	22.75	22.57	3844	86778
38	03-Mar-22	21.75	22.50	21.75	22.30	22.35	15566	347875
39	02-Mar-22	19.90	21.50	19.90	21.45	20.33	18297	371931
40	28-Feb-22	21.50	21.50	20.45	20.90	21.08	6305	132917
41	25-Feb-22	20.70	21.90	20.70	21.05	21.09	54221	1143443
42	24-Feb-22	22.00	22.80	21.75	21.75	21.86	14190	310171
43	23-Feb-22	22.50	24.00	22.30	22.85	23.23	9109	211557
44	22-Feb-22	23.30	23.70	22.30	23.05	22.82	15930	363532
45	21-Feb-22	24.15	24.15	23.05	23.45	23.48	7134	167536
46	18-Feb-22	24.75	25.55	23.80	24.15	24.91	21479	535044
47	17-Feb-22	24.95	25.70	24.70	24.90	25.23	19187	484178
48	16-Feb-22	25.00	25.50	24.50	24.60	24.84	22404	556553
49	15-Feb-22	24.50	25.60	24.35	24.95	24.73	22970	568079
50	14-Feb-22	26.90	26.90	25.60	25.60	25.94	26166	678788
51	11-Feb-22	27.75	27.75	26.70	26.90	27.21	13919	378715
52	10-Feb-22	27.75	28.00	26.80	27.35	27.52	19675	541419
53	09-Feb-22	27.05	27.90	27.00	27.30	27.40	22753	623471
54	08-Feb-22	27.00	28.50	26.70	27.05	27.22	30469	829389
55	07-Feb-22	27.25	28.50	26.65	27.75	27.44	24797	680479
56	04-Feb-22	28.50	29.00	27.30	27.90	28.20	37071	1045297
57	03-Feb-22	28.30	28.95	27.05	28.10	27.97	14784	413445
58	02-Feb-22	27.90	28.75	27.00	27.85	27.91	20503	572144
59	01-Feb-22	28.00	28.25	27.00	27.45	27.54	19717	542959
60	31-Jan-22	28.75	28.75	26.75	27.85	27.79	16825	467580
						<b>Total</b>	<b>1131894</b>	<b>27655974</b>
						<b>Volume Weighted Average Market Price [C/B]</b>		<b>24.43</b>

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

6. In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 32 (Rupees Thirty Two only) per equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.

8. There has been no revision in the Offer Price or to the size of this Offer as on the date of this DLOF.
9. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last one working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraphs V of the DPS; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

## **B) FINANCIAL ARRANGEMENTS**

1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 12,80,00,000/- (Rupees Twelve Crores only).
2. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer have opened an escrow cash account bearing Account No: 000405133999 (“**Escrow Cash Account**”) with ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, 390 007, Gujarat, India and acting for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 and have made a cash deposit of ₹ 12,80,00,000 (Twelve Crore and Eighty Lacs only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents **100%** of the total consideration payable to the Equity Shareholders under this Offer. The Acquirer has empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account in terms of the SEBI (SAST) Regulations.
3. The Acquirer has confirmed that it has adequate financial resources to meet its obligations under the Open Offer and has made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
4. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
5. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the Open Offer in full accordance with the SEBI (SAST) Regulations.

## VIII. TERMS AND CONDITIONS OF THE OFFER

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1. The tendering period will commence on Wednesday, June 22, 2022 and will close on Tuesday, July 05, 2022.
2. The Equity Shares offered under this Offer should be free from all lien, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Wednesday, June 08, 2022.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE176J01011. (Source: [www.bseindia.com](http://www.bseindia.com))
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 1 (One). (Source: [www.bseindia.com](http://www.bseindia.com))
7. None of the Equity Shares of the Target Company are subject to Lock-in.
8. The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirers subject to the continuation of the residual lock-in period in the hands of the Acquirers, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.
9. 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.

### A) ELIGIBILITY FOR ACCEPTING THE OFFER

1. The Letter of Offer shall be mailed to all Eligible Shareholders/Beneficial Owners (except the Acquirer, and Promoter and Promoter Group) whose names appear in register of Target Company as on Wednesday, June 08, 2022, the Identified Date.
2. This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.
3. The Public Shareholders who have registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through electronic means. If Public Shareholders who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the Letter of Offer by stating such Shareholder's name, address, number of Equity Shares held on Identified Date, client ID number, DP name / ID, beneficiary account number and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Public Shareholder. The Public Shareholders who have not registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
4. All Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("**Tendering Period**") for this Open Offer. Further, in accordance with the Frequently Asked Questions issued by SEBI, "FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting" dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, or the Form of Acceptance from the SEBI's website.

5. The acceptance of this Offer by the Eligible Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
6. The acceptance of this Offer is entirely at the discretion of the Eligible Shareholder(s)/Beneficial owner(s) of Target Company.
7. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
8. The Acquirer reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to Tuesday, June 21, 2022, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer 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.

## **B) STATUTORY AND OTHER APPROVALS**

1. To the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
2. Non-resident Indians (“NRIs”), erstwhile overseas corporate bodies (“OCBs”) and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required (including without limitation, the approval from RBI, if any, to tender the Equity Shares held by them in this Open Offer and submit such approvals/ exemptions along with the documents required to accept this Open Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, foreign institutional investors (“FIIs”) and foreign portfolio investors (“FPIs”)) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Open Offer. If the aforementioned documents are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Open Offer.
3. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
4. The Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
5. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
6. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the approvals mentioned in paragraph VI (1) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirers have a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, BSE and the registered office of the Target Company.



## **IX. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER**

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1. All the Public Shareholders holding the shares in dematerialized form, are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date (“**Tendering Period**”) for this Open Offer. Please refer to Paragraph 2 below for details in relation to tendering of Offer Shares held in physical form.
2. As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SEBI’s press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 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.
3. 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 i.e. the date falling on the 10th (tenth) Working Day prior to the commencement of Tendering Period, 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 Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way. The Public Shareholders may also download the Letter of Offer from the SEBI’s 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 and their folio number, DP identity-client identity, current address and contact details.
4. The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI SAST Regulations and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 as per further amended by SEBI circular numbered SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021.
5. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
6. The Acquirers have appointed Buying Broker for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:  
  
**Name:** Choice Equity Broking Private Limited  
**Address:** Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai-400099  
**Contact Person:** Mr. Jeetender Joshi  
**Tel.:** 022-67079857  
**E-mail ID:** [jeetender.joshi@choiceindia.com](mailto:jeetender.joshi@choiceindia.com)
7. In the event Seller Broker of shareholder is not registered with BSE then that shareholder can approach the Buying Broker as defined in the Point # 6 above and tender the shares through the Buying Broker after submitting the details as may be required by the Buying Broker to be in compliance with the SEBI regulations.
8. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Open Offer.
9. The Equity Shareholders will have to ensure that they keep a Demat Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
10. All the shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock broker (“**Selling Broker**”) during the normal trading hours of the secondary market during the Tendering Period. Upon placing the bid, the Selling Broker(s) shall

provide the Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.

11. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Broker can enter orders for dematerialized Equity Shares. Before placing the bid, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Indian Clearing Corporation Limited (“Clearing Corporation”), by using the settlement number and the procedure prescribed by the Clearing Corporation.
12. The cumulative quantity tendered shall be displayed on Designated Stock Exchange’s website (www.bseindia.com) throughout the trading session at specific intervals by Designated Stock Exchange during the Tendering Period.
13. Shareholders who wish to bid /offer their physical shares in the Offer are requested to send their original documents as mentioned in the LOF to the Registrar to the Offer so as to reach them within 2 days from closure of the TP. It is advisable to email scanned copies of the original documents mentioned in the LOF, first to the Registrar to the Offer then send physical copies to the Registrar’s address as provided in the LOF.
14. The process of tendering Equity Shares by the Equity Shareholders holding in demat and physical Equity Shares will be separately enumerated in the Letter of Offer.
15. It must be noted that the detailed procedure for tendering the shares in the offer will be available in the Letter of Offer (“LOF”). Kindly read it carefully before tendering Equity Shares in the Offer. Equity Shares once tendered in the Offer cannot be withdrawn by the Shareholders.
16. Equity Shares should not be submitted / tendered to the Manager, the Acquirers or the Target Company.

#### **Procedure for tendering Equity Shares held in dematerialised form**

1. Public Shareholders who are holding Equity Shares in demat 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 they intend to tender in this Offer.
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 Offer using the Acquisition Window of BSE. Before placing the order/bid, the Public Shareholder would be required to make early pay-in as per the mechanism prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker. As per SEBI Circular ref: SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the Public Shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the annexure to the said circular. All other procedures shall remain unchanged. The shareholders are advised to refer to the above circular of SEBI for placing of orders. Upon placing the order, the Selling Broker shall provide TRS generated by the Stock Exchange bidding system to the holder of the Equity Shares. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.
3. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
4. Eligible Shareholders shall submit Delivery Instruction Slips (DIS) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.

5. The Eligible Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
6. The Eligible Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The Eligible Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.
7. 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 Exchange / Clearing Corporation, before the opening of the Offer.
8. The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
9. Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.

#### **Procedure for tendering Equity Shares held in Physical form**

1. In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:
  - a. Form of Acceptance cum Acknowledgment 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.
  - b. Original share certificate(s).
  - c. Valid share transfer deed(s) 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.
  - d. Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
  - e. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature).
  - f. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
2. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
3. After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “**SICAGEN Open Offer**”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
4. Eligible 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 Shares in

Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.

5. Shareholders who wish to offer their physical Equity Shares in the Offer are requested to send their original documents as will be mentioned in the LOF to the Registrar to the Offer so as to reach them on or before Offer Closing Date.
6. In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
7. Eligible Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Eligible Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

#### **Acceptance of Equity Shares**

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

#### **Procedure for tendering the Equity Shares in case of non-receipt of Draft Letter of Offer**

1. Eligible Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
2. An Eligible Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Draft Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement will be dispatched to all the Eligible Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.
3. The LOF along with a Form of Acceptance, will be dispatched to all the Public Shareholders of the Target Company (through electronic mode or physical mode), whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form or physical form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.
4. In case of non-receipt of the Letter of Offer, such Eligible 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. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and Eligible Shareholders can also apply by downloading such forms from the said website.
5. Alternatively, in case of non-receipt of the LOF, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all

Shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered and other relevant documents as mentioned. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by the Stock Exchange before the closure of the Tendering Period.

### **Settlement Process**

1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
2. The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
3. For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Eligible Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Eligible Shareholders. The Eligible Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
4. The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
5. The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
6. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
7. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholder(s) directly by Registrar to the Offer
8. The direct credit of Equity Shares will be given to the demat account of Acquirer as indicated by the Buying Broker.
9. 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 Acquirer.
10. In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
11. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form
12. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable

to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

13. If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Eligible Shareholder.
14. Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
15. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

## NOTE ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SUMMARY IS BASED ON THE CURRENT PROVISIONS OF THE INDIAN INCOME TAX LAWS AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. THE FOLLOWING OVERVIEW IS NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.

THE LAW STATED BELOW IS AS PER THE IT ACT AS AMENDED UPTO FINANCE ACT, 2021 THE ACQUIRER DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF THE 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.

### 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 of the following year.
- b) A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the Income Tax Act, 1961, as amended (“**IT Act**”).
- c) 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) and income received by such persons in India (including income deemed to be received in India).
- d) Since the Target Company is incorporated in India, the Equity Shares are “situated” in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- e) 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 a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting (“**Multilateral Instrument/ MLI**”) as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule (“**GAAR**”); and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- f) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- g) The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.

- h) In addition to income tax, as the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to Securities Transaction Tax (“STT”). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.
- i) All references to equity shares herein refer to listed equity shares unless stated otherwise.

### **Classification of Shareholders**

Shareholders can be classified under the following categories:

#### **Resident Shareholders being:**

- 1. Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
- 2. Others
  - a. Company
  - b. Other than company

#### **Non-Resident Shareholders being:**

- 1. Non-Resident Indians (“NRIs”)
- 2. Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
- 3. Others:
  - a. Company
  - b. Other than company

### **Classification of Shares**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“CBDT”). The nature of gains/loss in the foregoing cases will be as under:

- 1. Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”.
- 2. Shares held as stock-in-trade: Income arising from transfer taxable under the head “Profits and Gains from Business or Profession”.

### **Taxability of Capital Gains in the hands of the Shareholders**

Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

### **Period of Holding**

Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

- a. Short-term Capital Asset (“STCA”): Equity shares held for less than or equal to 12 (Twelve) months.
- b. Long-term Capital Asset (“LTCA”): Equity share held for more than 12 (Twelve) months.

Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“STCG”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“LTCG”).

As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if STT has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT *vide* Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 Lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.

As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31,



2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.

If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018 dated October 1, 2018, then the entire LTCG arising to the shareholder shall be subject to tax at 10% (plus applicable surcharge and cess) under Section 112 of the IT Act or 20% (plus applicable surcharge and cess) after claiming indexation benefit which is relevant in case of resident shareholders.

STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.

As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.

Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.

The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent 8 (Eight) assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

Additional information in case of Foreign Institutional Investors (“**FII**s”):

1. As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
2. Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares. (STT paid) will be chargeable at the rate of 15%.
3. Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding INR 1,00,000 (One Lakh).
4. Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.
5. The above rates are to be increased by applicable surcharge and cess.
6. Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

7. The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

**Additional Information in case of Non-resident Indians (“NRIs”):**

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

1. Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
2. Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (Three) years from the date of their acquisition.
3. Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
4. Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
5. As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
6. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

**Investment Funds**

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

**Mutual Fund**

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

**Taxability of Business Income in the hands of the Shareholders**

- a. Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.
- b. In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction

from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.

- c. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

## **Withholding Tax implications**

### Remittance/Payment of Consideration

#### (a) Resident shareholders:

- i. As of the date of filing of this document, in the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer are not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.
- ii. With effect from July1, 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 50,00,000 (Rupees Fifty Lakh) and the buyer had a business turnover of more than INR 10,00,00,000 (Rupees Ten Crore) in the immediately preceding year. The term “goods” has not been defined and may cover shares.
- iii. As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Acquirer are not required to withhold tax under Section 194Q on consideration payable to resident shareholders.
- iv. The resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### (b) Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

#### (c) Non-resident shareholders (other than FIIs):

- i. Each non-resident shareholder will confirm its status by selecting the appropriate box in the FOA.
- ii. Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
- iii. However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- iv. Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believe that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately. In the event the Acquirer are held liable for the tax

liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

- v. The non-resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### **Remittance/Payment of Interest**

- a. In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the FOA or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.
- b. The shareholders must file their tax return in India *inter alia* considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### **Rate of Surcharge and Cess**

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

##### **Surcharge**

- a. In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds INR 10,00,00,000 (Rupees Ten Crore) and at 7% where the total income exceeds INR 1,00,00,000 (Rupees One Crore) but less than INR 10,00,00,000 (Rupees Ten Crore).
- b. In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge at 10% (Ten percent) is leviable.
- c. In case of companies other than domestic companies: Surcharge at 5% is leviable where the total income exceeds INR 10,00,00,000 (Rupees Ten Crore) and at 2% where the total income exceeds INR 1,00,00,000 (Rupees One Crore) but less than INR 10,00,00,000 (Rupees Ten Crore) .
- d. In case of individuals, HUF, AOP, BOI:
  - i. Surcharge at the rate of 10% is leviable where the total income exceeds INR 50,00,000 (Rupees Fifty Lakh) but does not exceed INR 1,00,00,000 (Rupees One Crore).
  - ii. Surcharge at the rate of 15% is leviable where the total income exceeds INR 1,00,00,000 (Rupees One Crore) but does not exceed INR 2,00,00,000 (Rupees Two Crore).
  - iii. Surcharge at the rate of 25% is leviable where the total income exceeds INR 2,00,00,000 (Rupees Two Crore) but does not exceed INR 5,00,00,000 (Rupees Five Crore).
  - iv. Surcharge at the rate of 37% is leviable where the total income exceeds INR 5,00,00,000 (Rupees Five Crore).
- e. However, for the purpose of income chargeable under section 111A, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- f. In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds INR 1,00,00,000 (Rupees One Crore).

##### **Cess**

Health and Education Cess at 4% is currently leviable in all cases.

**Others**

1. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
2. The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
3. The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. 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 the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax/ appellate authority in India.
4. The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

## **X. DOCUMENTS FOR INSPECTION**

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Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6<sup>th</sup> floor, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059 on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
- Certificate dated April 05, 2022 issued by CN Gangadaran, Partner of CNGSN Associates LLP, Chartered Accountants (*Membership No: 11205*), Firm Registration No.: (*04915S*), having office at Agastyar Manor, No.20, Raja Street, T Nagar, Chennai- 600 017, Tamil Nadu; Email id: info@cngsn.com, bearing Unique Document Identification Number (UDIN) 22011205AGKUTM5927, certifying the net worth of the Acquirer.
- Annual reports of the Target Company for the financial years ending March 31, 2021 and March 31, 2020 and March 31, 2019.
- Unaudited Limited Review financials of the Target Company for the quarter ended December 31, 2021.
- Audited reports of the Acquirer for the financial years ending March 31, 2021, March 31, 2020 and March 31, 2019.
- Unaudited financials of the Acquirer for the period ended December 31, 2021 certified by management.
- Copy of Escrow Agreement between the Acquirer, Manager to the Offer and Escrow Bank.
- Statement of funds deposited with the Escrow Bank.
- Copy of Public Announcement dated April 29, 2022, published copy of the Detailed Public Statement dated May 05, 2022.
- Observation letter bearing reference number [●] dated [●] received from SEBI.
- A copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company.
- Copy of Pre Offer Advertisement.

## **XI. DECLARATION BY THE ACQUIRER**

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

**ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER**

**ACQUIRER**

**Registered Office Address:** No.88, SPIC House, Mount Road, Guindy, Chennai, Tamil Nadu, 600032.

**Contact Person: E.N Rangaswami (Director)**

Sd/-

**Place:** Chennai

**Date:** May 12, 2022