

March 05, 2024

To  
Listing Department,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai-400 001.

Ref.: Scrip Code: 511169; Security ID: RKDAGRRTL

Dear Sir/Madam,

Sub: Open Offer by Nilesh Malshi Savla ("Acquirer 1") and Meena Nilesh Savla ("Acquirer 2") (Acquirer 1 and Acquirer 2 collectively referred to as "Acquirers") to acquire upto 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred only) fully paid-up equity shares of Re. 1/- each for cash at a price of ₹ 1.12/- (Rupee One and Twelve Paise only) per Equity Share aggregating upto ₹ 1,44,36,240/- (Rupees One Crore Forty Four Lakh Thirty Six Thousand Two Hundred Forty only), to the Public Shareholders of RKD Agri & Retail Limited ("Target Company"), pursuant to and in compliance with the requirements of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations, 2011") ("Offer" or "Open Offer")

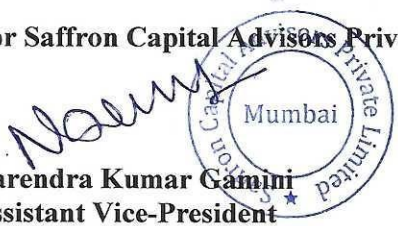
We have been appointed as the Manager to the captioned Open Offer by the Acquirers in terms of regulation 12(1) of the SEBI (SAST) Regulations. In this regard, pursuant to regulation 18(1) of the SEBI (SAST) Regulations we are enclosing a softcopy of Draft Letter of Offer dated March 05, 2024 ("DLOF"), for your kind reference and records.

We request you to kindly consider the attachment as good compliance and disseminate it on your website.

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

Contact Person	Designation	Contact Number	E-mail Id
Narendra Kumar Gamini	Assistant Vice President	+91-22-49730394	<a href="mailto:narendra@saffronadvisor.com">narendra@saffronadvisor.com</a>
Saurabh Gaikwad	Assistant Manager		<a href="mailto:saurabh@saffronadvisor.com">saurabh@saffronadvisor.com</a>

For Saffron Capital Advisors Private Limited

  
Narendra Kumar Gamini  
Assistant Vice-President  
Equity Capital Markets

Encl: As Above

**DRAFT LETTER OF OFFER**

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

This Draft Letter of Offer ("DLOF") is being sent to you as a Public Shareholder(s) (*defined below*) of RKD Agri & Retail Limited ("Target Company"). If you require any clarifications about the action to be taken, you may consult your stockbroker or an investment consultant or the Manager to the Offer (*defined below*) or the Registrar to the Offer (*defined below*). In the event you have recently sold your Equity Shares (*defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement to the purchaser of the Equity Shares or the Member of the Stock Exchange through whom the said sale was effected.

**OPEN OFFER ("OFFER") BY**

**NILESH MALSHI SAVLA ("Acquirer 1") and**

**Residential Address:** B-102, Saraswati Apartment, Dr. Radha Krishana Road, Andheri (East), Mumbai-400069, Maharashtra, India.

**Contact No.:** +91 97573 96440; **Email:** nileshmsavla@gmail.com

and

**MEENA NILESH SAVLA ("Acquirer 2")**

**Residential Address:** B-102, Saraswati Apartment, Dr. Radha Krishana Road, Andheri (East), Mumbai-400069, Maharashtra, India.

**Contact No.:** +91 97573 96450; **Email:** meenansavla@gmail.com

(Acquirer 1 and Acquirer 2 hereinafter collectively referred to as "Acquirers")

**TO THE PUBLIC SHAREHOLDER(S) OF**

**RKD AGRICULTURE & RETAIL LIMITED ("Target Company")**

**Corporate Identification Number:** L15400MH1986PLC316001

**Registered Office:** 52, Rayfreda Building, Junction of Mahakali Caves, Holy Family Church, Chakala MIDC, Mumbai-400093, Maharashtra, India.



**Tel. No.:** +91 22-4801 8788 / +91 93241 93925; **Email:** himalchulifoodproducts@gmail.com; **Website:** www.hfpltd.in

to acquire up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) fully paid-up equity shares of face value of ₹1/- each ("Equity Shares") representing 26% (Twenty Six per cent) of the Emerging Voting Share Capital (*defined below*) of the Target Company, a price of ₹ 1.12/- (Rupee One and Paise Twelve only), including interest of ₹ 0.12/- per Equity Share ("Offer Price"), payable in Cash.

**Please Note:**

1. This Offer is being made pursuant to and in compliance with Regulations 3(1), 3(2) and 3(3) and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations, 2011").
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulations 19 of the SEBI (SAST) Regulations, 2011.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
4. **As per the information available with the Acquirers and the Target Company, there has been no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer, the public offers under all subsisting bids shall open and close on the same date.**
5. To the best of the knowledge of the Acquirers, as on the date of this Draft Letter of Offer, there are no statutory approvals required by the Acquirers to complete the acquisition of the Equity Shares that are validly tendered to this Open Offer. In case, if any Statutory Approval(s) are required or become applicable at a later date before the closure of the Tendering Period, this Open Offer shall be subject to the receipt of such Statutory Approval(s). In terms of Regulation 23 of the SEBI (SAST) Regulations, 2011, in the event that, for reasons outside the reasonable control of the Acquirers, any statutory approvals required are not received or refused, then the Acquirers shall have the right to withdraw the Open Offer. In the event of such withdrawal of the Open Offer, the Acquirers, through the Manager to the Open Offer, shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.
6. If there is any upward revision in the Offer Price/Number of Shares and by the Acquirers, at any time prior to the commencement of the last 1 (one) working day before the commencement of the Tendering Period i.e., Thursday, April 18, 2024, the same would be informed by way of a public announcement in the same newspapers where the Detailed Public Statement was published. Any such revision in the Offer Price would be payable by the Acquirers for all the Offer Shares validly tendered anytime during the Tendering Period of the Offer.
7. Copies of the Public Announcement ("PA") and the Detailed Public Statement ("DPS") are available on the website of Securities and Exchange Board of India ("SEBI") at [www.sebi.gov.in](http://www.sebi.gov.in), and copy of this Draft Letter of Offer ("DLOF") and the Letter of Offer (including the Form of Acceptance cum acknowledgement) ("LOF") would be available on the website of SEBI at [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:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <b>Saffron Capital Advisors Private Limited</b> Company Identification Number: U67120MH2007PTC166711 605, Sixth Floor, Centre Point, Andheri-Kurla Road, J. B. Nagar, Andheri (East), Mumbai-400 059, Maharashtra, India; <b>Tel No.:</b> +91 22-4973 0394; <b>E-mail ID:</b> <a href="mailto:openoffers@saffronadvisor.com">openoffers@saffronadvisor.com</a> ; <b>Investor Grievance Email ID:</b> <a href="mailto:investorgrievance@saffronadvisor.com">investorgrievance@saffronadvisor.com</a> ; <b>Website:</b> <a href="http://www.saffronadvisor.com">www.saffronadvisor.com</a> ; <b>SEBI Registration Number:</b> INM000011211; <b>Validity:</b> Permanent. <b>Contact Person:</b> Narendra Kumar Gamini / Saurabh Gaikwad	 <b>Purva Sharegistry (India) Private Limited</b> Company Identification Number: U67120MH1993PTC074079 Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai-400011, Maharashtra, India; <b>Tel No.:</b> +91-22-3199 8810/4961 4132; <b>E-mail ID:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> ; <b>Investor Grievance Email ID:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> ; <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> ; <b>SEBI Registration Number:</b> INR000001112; <b>Validity:</b> Permanent <b>Contact Person:</b> Ms. Deepali Dhuri
<b>OFFER OPENS ON: MONDAY, APRIL 22, 2024</b>	<b>OFFER CLOSES ON: MONDAY, MAY 06, 2024</b>

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

Sr. No.	Activity	Day and Date <sup>(1)</sup>
1	Public Announcement	Thursday, February 22, 2024
2	Publication of DPS in the Newspapers	Wednesday, February 28, 2024
3	Last date for filing of the Draft Letter of Offer with SEBI	Wednesday, March 06, 2024
4	Last date for a Competitive Bid / Offer	Thursday, March 21, 2024
5	Last date for receipt of 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, April 01, 2024
6	Identified Date <sup>(2)</sup>	Wednesday, April 03, 2024
7	Last date for dispatch of the Letter of Offer to the Public Shareholders	Friday, April 12, 2024
8	Last date for upward revision of the Offer Price or any increase in the Offer Size	Thursday, April 18, 2024
9	Last Date by which the committee of the independent directors of the Target Company shall give its recommendations on the Open Offer to the Public Shareholders	Thursday, April 18, 2024
10	Date of publication of Offer Opening Public Announcement	Friday, April 19, 2024
11	Date of commencement of the Tendering Period (“ <b>Offer Opening Date</b> ”)	Monday, April 22, 2024
12	Date of closure of the Tendering Period (“ <b>Offer Closing Date</b> ”)	Monday, May 06, 2024
13	Last date of communicating the rejection/acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders	Monday, May 20, 2024

**Notes:**

<sup>(1)</sup>The above timelines are indicative (prepared based on timelines provided under the SEBI (SAST) Regulations, 2011) and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations, 2011.

<sup>(2)</sup>The Identified Date is only for the purpose of determining the Equity Shareholders as on such date to whom the Letter of Offer would be sent by email. It is clarified that all the shareholders (registered or unregistered) holding the equity shares of the Target Company (except the Acquirers) are eligible to participate in this Offer at any time prior to the closure of this Offer.

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## RISK FACTORS

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### I. RISKS RELATING TO THE OPEN OFFER

- This Offer is subject to the provisions of SEBI (SAST) Regulations, 2011 and in case of non-compliance by the Acquirers with any of the provisions of the SEBI (SAST) Regulations, 2011, the Acquirers shall not act upon the acquisition of equity shares under the Offer.
- As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no statutory approvals required by the Acquirers to complete the acquisition of the Equity Shares that are validly tendered to this Open Offer. However, in case of any other statutory approval/s becomes applicable to the Acquirers at a later date prior to completion of this Open Offer, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.
- 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 Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers 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 Acquirers 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, 2011, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirers to diligently pursue such approvals, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the public shareholders who had validly tendered their shares in the Open Offer for delay beyond 10<sup>th</sup> 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 Acquirers 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 any delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust by the Clearing Corporation/Registrar to the Offer until such time as the process of acceptance of tenders and the payment of consideration is completed.
- A lien shall be marked against the Equity Shares tendered in the Offer by the Public Shareholders until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of the Equity Shares in this Offer and/ or payment of consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. Neither the Acquirers nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement, Draft Letter of Offer, Letter of Offer or in the pre and post offer advertisements or any material issued by or at the instance of the Acquirers or the Manager to the Offer in relation to the Offer and anyone placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) would be doing so at his/her/their own risk.
- 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 Acquirers 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 Public Shareholders are advised to consult the stockbroker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLOF, and all shareholders should independently consult their respective tax advisors.
- This Offer is subject to completion risks as would be applicable to similar transactions.
- The information contained in this DLOF is as of the date of this DLOF unless expressly stated otherwise. The Acquirers and the Manager of the Offer are under no obligation to update the information contained herein at any time after the date of this DLOF.

## **II. RISKS RELATING TO ACQUIRERS**

- The Acquirers make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company and makes no assurance with respect to the future performance of the Target Company.
- The Acquirers 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 Acquirers 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.
- Pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (“SCRR”) read with the SEBI (LODR) Regulations. In such an event, the Acquirers shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirers, to meet the minimum public shareholding requirements specified under SCRR.

*The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks perceived in relation to the Offer or in association with the Acquirers 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 Public 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>Particulars</b>	<b>Details/Definition</b>
<b>Acquirer 1</b>	Nilesh Malshi Savla
<b>Acquirer 2</b>	Meena Nilesh Savla
<b>Acquirers</b>	Acquirer 1 and Acquirer 2 collectively referred to as Acquirers
<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 Acquirers for the purpose of this Open Offer i.e., Nikunj Stock Brokers Limited
<b>CDSL</b>	Central Depository Services Limited
<b>CIN</b>	Corporate Identification Number
<b>Clearing Corporation</b>	Indian Clearing Corporation Limited
<b>Companies Act</b>	The Companies Act, 2013 as applicable, as amended or modified from time to time or the Companies Act, 1956 to the extent applicable
<b>Depositories</b>	CDSL and NSDL
<b>Designated Stock Exchange</b>	BSE Limited
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated February 27, 2024, issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in newspapers on February 28, 2024, in accordance with the Regulations 3(1), 3(2) and 3(3) read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the SEBI (SAST) Regulations, 2011
<b>DIN</b>	Director Identification Number
<b>DP</b>	Depository participant
<b>DLOF/ Draft Letter of Offer</b>	This Draft Letter of Offer dated March 05, 2024
<b>Eligible Shareholders / Public Shareholders</b>	All the equity shareholders of the Target Company who are eligible to tender their Equity shares in the Open Offer, except the Acquirers and all persons acting in concert or deemed to be acting in concert with them, pursuant to and in compliance with the provisions of regulation 7(6) of the SEBI (SAST) Regulations, 2011
<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 shares of face value of ₹ 1 (Indian Rupee One only) each of the Target Company
<b>Emerging Voting Share Capital</b>	The total voting equity share capital of the Target Company on a fully diluted basis as of the 10 <sup>th</sup> (tenth) Working Day from the closure of the Tendering Period of the Open Offer, i.e. 4,95,75,000 Equity Shares, including 39,50,000 warrants outstanding held by the non-promoter/public shareholders and excluding 94,25,000 warrants outstanding held by the Promoters (based on the undertaking received from the Promoters for not exercising the option to convert the said warrants into equity shares till the 10 <sup>th</sup> (tenth) Working Day from the closure of the Tendering Period of the Open Offer)
<b>Escrow Agreement</b>	Escrow Agreement dated February 19, 2024, entered between the Acquirers, Escrow Bank 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 Investors registered with SEBI
<b>First Triggering Event</b>	Acquisition of 1,20,00,000 (One Crore Twenty Lakh) Equity Shares, upon exercise of option for conversion of warrants, by the Acquirer 1 on May 05, 2023
<b>FY</b>	Financial Year
<b>Identified Date</b>	Wednesday, April 03, 2024, 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>Income Tax Act</b>	Income Tax Act, 1961
<b>ISIN</b>	International Securities Identification Number
<b>Letter of Offer/ LOF</b>	The Letter of Offer dated [●], duly incorporating SEBI's comments on the Draft Letter of Offer
<b>Manager to the Offer</b>	Saffron Capital Advisors Private Limited
<b>NA / N.A.</b>	Not Applicable
<b>NRI</b>	Non-Resident Indians
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000

<b>Particulars</b>	<b>Details/Definition</b>
<b>Offer/Open Offer</b>	Open Offer being made by the Acquirers to the Public Shareholders for acquisition of up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) fully paid-up equity shares of face value of ₹ 1/- each representing 26% of Emerging Voting Share Capital of the Target Company at a price of ₹ 1.12/- (Rupee One and Paise Twelve only), including interest of ₹ 0.12/- per Equity Share
<b>Offer Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 1,44,36,240/- (Rupees One Crore Forty Four Lakh Thirty Six Thousand Two Hundred Forty only)
<b>Offer Period</b>	The period between the date on which the PA i.e., February 22, 2024 was issued by the Acquirers and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
<b>Offer Price</b>	₹ 1.12/- (Rupee One and Paise Twelve only), including interest of ₹ 0.12/- per Equity Share
<b>Offer Size / Offer Shares</b>	Up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) fully paid-up equity shares of face value of ₹ 1/- each representing 26% of Emerging Voting Share Capital of the Target Company
<b>Promoter(s)</b>	Promoters of the Target Company namely Nilesh Malshi Savla and Meena Nilesh Savla
<b>Public Announcement/PA</b>	Public Announcement in connection with the Open Offer made by the Manager to the Offer on behalf of the Acquirers on February 22, 2024 in accordance with SEBI (SAST) Regulations, 2011
<b>PAN</b>	Permanent Account Number
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Purva Shareregistry (India) Private Limited
<b>RoC</b>	Registrar of Companies
<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/ SEBI (SAST) Regulations, 2011</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof
<b>Second Triggering Event</b>	Acquisition of 1,67,00,000 (One Crore Sixty Seven Lakh) Equity Shares, upon exercise of option for conversion of warrants, by the Acquirer 2 on February 10, 2024
<b>Selling Broker</b>	Respective stockbrokers 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>	RKD Agri & Retail Limited having its registered office at 52, Rayfreda Building, Junction of Mahakali Caves, Holy Family Church, Chakala MIDC, Mumbai-400093, Maharashtra, India
<b>Tendering Period</b>	Monday, April 22, 2024 to Monday, May 06, 2024, both days inclusive
<b>Voting Share Capital</b>	The Paid-up share capital of the Target Company as on the date of this Draft Letter of Offer is ₹ 4,56,25,000/- (Rupees Four Crore Fifty Six Lakh Twenty Five Thousand only) comprising 4,56,25,000 (Rupees Four Crore Fifty Six Lakh Twenty Five Thousand) Equity Shares of face value of ₹ 1/- each
<b>Warrants</b>	A convertible financial instrument that gets converted into Equity Shares of the Target Company, within 18 months from the date of allotment
<b>Working Day</b>	Working days of SEBI, as ascribed to it in the SEBI (SAST) Regulations, 2011

Note: All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations, 2011.



## **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 RKD AGRI & RETAIL LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 ACQUIRERS 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 ACQUIRERS 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 MARCH 05, 2024, 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 ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**

### III. DETAILS OF THE OFFER

#### A) Background of the Offer

1. This Offer is a mandatory open offer being made by the Acquirers to the Public Shareholders of the Target Company in accordance with Regulations 3(1), 3(2) and 3(3) of the SEBI (SAST) Regulations, 2011 pursuant to the substantial acquisition of Equity Shares / Voting Rights, upon exercise of option for conversion of warrants, of the Target Company, described as under:

**a. First Triggering Event:**

The Board of Directors of the Target Company, at their meeting held on May 05, 2023, has issued and allotted 1,20,00,000 (One Crore Twenty Lakh) Equity Shares, upon exercise of option for conversion of warrants which were issued by way of preferential allotment on March 08, 2023, to Meena Nilesh Savla ("**Acquirer 2**"). The said allotment led to an increase in the shareholding/voting rights of the Acquirer 2 from 36.17% to 62.01% of Voting Share Capital of the Target Company after the allotment on May 05, 2023 i.e., 2,21,50,000 Equity Shares.

Pursuant to the above transaction, Acquirer 2 triggered the obligation to make an Open Offer on May 05, 2023 (Date when Public Announcement was required to be given for First Triggering Event), in terms of Regulation 3(2) read with Regulation 3(3) of SEBI (SAST) Regulations, 2011.

**b. Second Triggering Event:**

The Board of Directors of the Target Company, at their meeting held on February 10, 2024, has issued and allotted 1,67,00,000 (One Crore Sixty Seven Lakh) Equity Shares, upon exercise of option for conversion of warrants which were issued by way of preferential allotment on March 08, 2023, to Nilesh Malshi Savla ("**Acquirer 1**"). The said allotment led to an increase in the shareholding/voting rights of the Acquirer 1 from 8.10% to 40.53% of Voting Share Capital of the Target Company after the allotment on February 10, 2024 i.e., 4,56,25,000 Equity Shares.

Pursuant to the above transaction, Acquirer 1 triggered the obligation to make an Open Offer on February 10, 2024 (Date when Public Announcement was required to be given for Second Triggering Event), in terms of Regulation 3(1) read with Regulation 3(3) of SEBI (SAST) Regulations, 2011.

2. There was a delay of 293 days by Acquirer 2 and a delay of 12 days by Acquirer 1 in making the Open Offer under the SEBI (SAST) Regulations, 2011. However, the Acquirers intent to fulfill their obligations under the SEBI (SAST) Regulations 2011, by giving a Public Announcement, at an Offer Price, inclusive of an interest @ 10% per annum from the First Triggering Event i.e., from May 05, 2023 upto June 30, 2024.
3. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company or Open Market Purchase.
4. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement.
5. The Acquirers are on the board of directors of the Target Company as on the date of this DLOF. The Acquirers have no proposal to reconstitute the Board of Directors of the Target Company.
6. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, 2011, the board of directors of the Target Company is required to constitute a committee of independent directors to provide its written reasoned recommendation on the Open Offer to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 Working Days before the commencement of the Tendering Period, in the same newspapers in which the DPS was published.

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

1. The Public Announcement announcing the Open offer, under Regulations 3(1), 3(2) and 3(3) of the SEBI (SAST) Regulations, 2011 was filed with the Stock Exchange, SEBI and the Target Company on February 22, 2024. Simultaneously, the PA was also uploaded on the SEBI's portal on same day.
2. In terms of Regulation 13(4) of the SEBI (SAST) Regulations, 2011, the DPS was published, in accordance with Regulation 14(3) of SEBI (SAST) Regulations, 2011, in the following newspapers on February 28, 2024:

Sr. No.	Newspapers	Language	Editions
1	Financial Express	English	All Editions
2	Jansatta	Hindi	All Editions
3	Pratahkal	Marathi	Mumbai Edition*

*\*Being the regional language of Mumbai, where the Registered Office of the Target Company is located and the Stock Exchange where the equity shares of the Target Company are listed.*

Simultaneously, in accordance with the provisions of Regulation 14(4) of SEBI (SAST) Regulations, 2011, a copy of the DPS was sent through the Manager to the Offer to (i) SEBI; (ii) BSE and (iii) the Target Company on February 28, 2024.

3. Copies of PA and DPS are available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), and copy of this DLOF and Letter of Offer (including the Form of Acceptance cum acknowledgement) (“**LOF**”) would be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).
4. This Open Offer is being made by the Acquirers to the Public shareholders of the Target Company to acquire up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) Equity Shares (“**Offer Shares**”) representing 26% (Twenty Six Percent) of the total voting share capital of the Target Company, at an Offer Price of ₹ 1.12/- (Rupee One and Paise Twelve only), including interest of ₹ 0.12/- per Equity Share, aggregating to a total consideration of ₹ 1,44,36,240/- (Rupees One Crore Forty Four Lakh Thirty Six Thousand Two Hundred Forty only) payable in cash subject to the receipt of statutory approvals and terms and conditions mentioned therein.
5. As on the date of this DLOF, there is only one class of Equity Shares and there are no: (i) partly paid-up equity shares; (ii) equity shares carrying differential voting rights.
6. Except 1,33,75,000 (One Crore Thirty Three Lakh Seventy Five Thousand) warrants, which are convertible into equal number of equity shares on exercising of option to convert, there are no outstanding convertible securities, depository receipts, fully convertible debentures, convertible preference shares, warrants, options or similar instruments, issued by the Target Company, which are convertible into Equity Shares of the Target Company at a later stage.
7. There is no differential pricing for the Offer.
8. The Offer Price shall be payable in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
9. This Offer is not conditional upon any minimum level of acceptance in terms of Regulations 19 of the SEBI (SAST) Regulations, 2011.
10. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011
11. There is no competing offer as on the date of this Draft Letter of Offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
12. The Acquirers have not acquired any Equity Shares of the Target Company after the date of PA i.e., February 22, 2024 and up to the date of this DLOF.
13. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering of Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
14. 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 DLOF. The Manager to the Offer further declares and undertakes not to deal on its account in the Equity Shares during the Offer period.
15. Pursuant to completion of this Open Offer, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”) read with the SEBI (LODR) Regulations. In such an event, the Acquirers shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirers, to meet the minimum public shareholding requirements specified under SCRR.
16. The Acquirers intend to retain the listing status of the Target Company and no delisting offer is proposed to be made.
17. If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been

accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company in any form.

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

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1. At present, the Acquirers are the Promoters and controlling the management of the Target Company and hold 3,22,29,715 Equity Shares representing 70.64% of the Voting Share Capital and 65.01% of the Emerging Voting Share Capital of the Target Company.
2. Pursuant to First Triggering Event and Second Triggering Event, Acquirers have made this Open Offer to the public shareholders of Target Company, pursuant to and in compliance with regulations 3(1), 3(2) and 3(3) of the SEBI (SAST) Regulations, 2011, for the acquisition of up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) Equity Shares, representing 26% (Twenty Six per cent) of the Emerging Voting Share Capital of the Target Company.
3. There was a delay of 293 days by Acquirer 2 and a delay of 12 days by Acquirer 1 in making the Open Offer under the SEBI (SAST) Regulations, 2011. Now, the Acquirers intent to fulfill their obligations under the SEBI (SAST) Regulations 2011, by giving a Public Announcement, at an Offer Price, inclusive of an interest @ 10% per annum from the First Triggering Event i.e., from May 05, 2023 upto June 30, 2024.
4. The Acquirers do 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 2 (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, 2011.

## V. BACKGROUND OF THE ACQUIRERS

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### 1. Nilesh Malshi Savla (“Acquirer 1”):

- 1.1 Acquirer 1, an individual aged about 48 years, is having residential address as B-102, Saraswati Apartment, Dr. Radha Krishana Road, Andheri (East), Mumbai-400069, Maharashtra, India; Contact No.: +91 97573 96440; Email: Nileshmsavla@gmail.com.
- 1.2 Acquirer 1 has completed his Bachelor of Philosophy from the Medicina Alternativa of Open International University for Complementary Medicines, Sri Lanka. He hails from an agricultural family and has experience in the areas of agriculture, sales, marketing and administration of luggage, printing businesses.
- 1.3 The net worth of Acquirer 1 as on February 17, 2024 is ₹ 2019.80 Lakhs (Rupees Twenty Crore Nineteen Lakh and Eighty Thousand only) and the same is certified by Nishit Pravin Tanna (Membership Number: 153147), Partner of MNT and Associates LLP, Chartered Accountants (Firm Registration Number: W100115) having office at Office No 5, 3<sup>rd</sup> Floor, A wing, Vijay Appartment, Panchpakhadi, Thane-400602, Maharashtra, India, Contact No. +91 9820002820; Email ID: mnt.llp9@gmail.com; vide certificate dated February 17, 2024, bearing Unique Document Identification Number (UDIN)-24153147BKETUE2754.
- 1.4 Acquirer 1 is one of the Promoters and Director and Chief financial Officer of the Target Company.
- 1.5 As on the date of this DLOF, except the Target Company, Acquirer 1 neither holds any directorships in any listed entity nor hold any position as a whole-time director in any company.  
(Source: [www.mca.gov.in](http://www.mca.gov.in))
- 1.6 As on the date of this DPS, Acquirer 1 holds 1,84,93,405 (One Crore Eighty Four Lakh Ninety Three Thousand Four Hundred Five) Equity Shares and 64,25,000 (Sixty Four Lakh Twenty Five Thousand) warrants, which are convertible into equal number of Equity Shares, of the Target Company.

### 2. Meena Nilesh Savla (“Acquirer 2”):

- 2.1 The Acquirer 2, an individual aged about 51 years, is having residential address as B-102, Saraswati Apartment, Dr. Radha Krishana Road, Andheri (East), Mumbai-400069, Maharashtra; Tel: +91 97573 96450; Email: meenansavla@gmail.com.
- 2.2 Acquirer 2 appeared for Senior Secondary Certificate from the Maharashtra State Board of Secondary and Higher Secondary Education, Pune. She hails from an agricultural family has experience in the areas of agriculture activities, administration and sales.
- 2.3 The Networth of Acquirer 2 as on February 17, 2024 is ₹ 906.59 Lakhs (Rupees Nine Crore Six Lakh Fifty Nine Thousand only) and the same is certified by Nishit Pravin Tanna (Membership Number: 153147), Partner of MNT and Associates LLP, Chartered Accountants (Firm Registration Number: W100115) having office at Office No 5, 3<sup>rd</sup> Floor, A wing, Vijay Appartment, Panchpakhadi, Thane-400602, Maharashtra, India, Contact No. +91 9820002820; Email ID: mnt.llp9@gmail.com; vide certificate dated February 17, 2024, bearing Unique Document Identification Number (UDIN)-24153147BKETUF8629.
- 2.4 Acquirer 2 is one of the Promoters and Director of the Target Company.
- 2.5 As on the date of this DLOF, except the Target Company, Acquirer 2 neither holds any directorships in any listed entity nor hold any position as a whole-time director in any company.  
(Source: [www.mca.gov.in](http://www.mca.gov.in))
- 2.6 As on the date of this DPS, Acquirer 2 holds 1,37,36,310 (One Crore Thirty Seven Lakh Thirty Six Thousand Three Hundred Ten) Equity Shares and 30,00,000 (Thirty Lakh) warrants, which are convertible into equal number of Equity Shares, of the Target Company.

### 3. Declarations and Undertakings by the Acquirers:

- 3.1 They do not belong to any group.
- 3.2 They have not been prohibited by SEBI from dealing in securities, in terms of directions issued by SEBI under the provisions of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.

- 3.3 There are no pending litigations pertaining to the securities market where they are made party to as on the date of this DLoF.
- 3.4 They are not categorized or declared as (i) willful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations, 2011 or (ii) fugitive economic offender under Section 12 of Fugitive Economic Offender Act, 2018, in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations, 2011
- 3.5 Acquirer 1 and Acquire 2 are husband and wife and immediate relatives as defined under SEBI(SAST), Regulations, 2011.
- 3.6 No person is acting in concert with the Acquirers for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirers in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011 (**‘Deemed PACs’**), however, such Deemed PACs are not acting in concert with the Acquirers for the purposes of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations, 2011.
4. Acquirers undertake not to exercise the option to convert 94,25,000 (Ninety Four Lakh Twenty Five Thousand) warrants outstanding held by them into equity shares of the Target Company till the 10<sup>th</sup> (tenth) Working Day from the closure of the Tendering Period of the Open Offer.

## 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 is a public company limited by shares. It was originally incorporated on April 30, 1986 under the provisions of Companies Act, 1956, with the Registrar of Companies, Gujarat ("ROC") in the name and style of Saheli Leasing and Finance Limited vide Certificate of Incorporation. The Certificate for Commencement of Business was obtained from the ROC on June 16, 1986. The name of the Target Company was subsequently changed to Saheli Leasing and Industries Limited and a Fresh Certificate of Incorporation consequent on change of name was received from the ROC on February 27, 1991. The name of the Target Company was further changed to Himalchuli Food Products Limited and a Fresh Certificate of Incorporation consequent on change of name was received from Registrar of Companies, Gujarat, Dadra & Nagar Haveli on March 24, 1999. The registered office of the Target Company was changed from the state of Gujarat to the Maharashtra and a Certificate of Registration of Order from the Regional Director for Change of State has been received from Registrar of Companies, Maharashtra on October 19, 2018. The name of the Target Company was further changed to the present name RKD Agri & Retail Limited and a fresh Certificate of Incorporation consequent on change of name was received from Registrar of Companies, Mumbai, Maharashtra on September 17, 2020. The CIN of the Target Company is L15400MH1986PLC316001. There has been no change in the name of the Target Company in the last 3 (three) years.
2. The Registered Office of the Target Company is at 52, Rayfreda Building, Junction of Mahakali Caves, Holy Family Church, Chakala MIDC, Mumbai-400093, Maharashtra, India. Contact No.: +91 22-4801 8788 / +91 93241 93925; Email: himalchulifoodproducts@gmail.com; Website: www.hfpltd.in.
3. Target Company is engaged in the business of agriculture, retail and allied activities.
4. The Authorized Share Capital of the Target Company is Rs. 7,00,00,000/- (Rupees Seven Crore only) comprising of 7,00,00,000 (Seven Crore) equity shares of face value of Rs. 1/- each. The Issued, Subscribed and fully Paid-up Capital of the Target Company is Rs. 4,56,25,000/- (Rupees Four Crore Fifty Six Lakh Twenty Five Thousand only) consisting of 4,56,25,000 (Four Crore Fifty Six Lakh Twenty Five Thousand) equity shares of face value of Rs. 1/- each.
5. Except 1,33,75,000 (One Crore Thirty Three Lakh Seventy Five Thousand) warrants, which are convertible into equal number of equity shares on exercising of option to convert, there are no outstanding convertible securities, depository receipts, fully convertible debentures, convertible preference shares, warrants, options or similar instruments, issued by the Target Company, which are convertible into Equity Shares of the Target Company at a later stage.
6. As on the date of this DLOF, there is only one class of Equity Shares and there are no: (i) partly paid-up equity shares; (ii) equity shares carrying differential voting rights.
7. The Voting Share Capital of the Target Company as on date of this DLOF is:

<b>Paid-up Equity Share of Target Company</b>	<b>No. of Shares / Voting Rights</b>	<b>% of Shares / Voting Rights</b>
Fully paid-up Equity Shares	4,56,25,000	100
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	4,56,25,000	100
<b>Total Voting Rights in Target Company</b>	<b>4,56,25,000</b>	<b>100</b>

8. The Emerging Voting Share Capital of the Target Company as on date of this DLOF is:

<b>Paid-up Equity Share of Target Company</b>	<b>No. of Shares / Voting Rights</b>	<b>% of Shares / Voting Rights</b>
Fully paid-up Equity Shares as on date	4,56,25,000	100
Equity Shares proposed to be allotted upon exercising the option to convert the warrants outstanding held by the non-promoter/public shareholders	39,50,000	Nil
<b>Emerging Voting Capital</b>	<b>4,95,75,000</b>	<b>100</b>

9. The Equity Shares of the Target Company are presently listed only on BSE with Scrip Code: 511169 and Security ID: RKDAGRRTL. The ISIN of Equity Shares of Target Company is INE552N01023. Currently, as on the date of the DPS, the shares of the Target Company are trading under Graded Surveillance Measures (GSM) - Stage 3. (Source: www.bseindia.com)



10. The entire issued, subscribed and paid-up share capital of the Target Company, except 2,34,75,000 (Two Crore Thirty Four Lakh Seventy Five Thousand) Equity Shares, issued and allotted, on exercising of option to convert warrants, on February 10, 2024, is listed on BSE and has not been suspended from trading by BSE. The Company made the application for listing of the above 2,34,75,000 Equity Shares through listing center of BSE on February 23, 2024 and the same is under process.
11. The Equity Shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
12. No penal/ punitive actions have been taken by Stock Exchange against the Target Company.
13. There have been no mergers/demergers/spin-offs involving the Target Company, during the last 3 (three) years.
14. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Name of the Director	DIN	Designation	Date of Appointment
Nilesh Malshi Savla	05354691	Director & Chief Financial Officer	14-Nov-2017
Meena Nilesh Savla	05354674	Director	14-Nov-2017
Samirkumar Bharatbhai Sampat	08116619	Independent Director	21-May-2018
Hetal Mukesh Dave	08397075	Independent Director	29-Mar-2019

15. As of the date of this DLOF, the Acquirers are on the board of the Target Company.
16. The Target Company is not categorized as willful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations, 2011.
17. There are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and regulations made there under, also by other Regulator and no penalties are levied by SEBI/RBI against the Target Company.
18. The Target Company has confirmed the compliance by the Promoters of the Target Company with the disclosure requirements under the applicable provisions of Regulation 30 and Regulation 31 of SEBI (SAST) Regulations, 2011 during the period of eight financial years preceding the financial year in which the PA for instant open offer has been made.
19. Details of delayed/non-compliances of the Promoters of the Target Company in terms of SEBI (SAST) Regulations, 2011 is given below:

Sr. No	Regulation	Financial Year	Date of Acquisition/ Disposal	Due date for Compliance	Actual compliance date	Delay, if any	Status of Compliance	Remarks
1	29(2)	2020-2021	24-Sept-2020	28-Sept-2020	20-Nov-2020	54 Days	Complied with a delay	Refer Note 1
2	29(2)	2023-24	08-Mar-2023	-	-	-	Not Complied	Refer Note 2
3	29(2)	2023-24	05-May-2023	09-May-2023	06-May-2023	-	-	Refer Note 3

**Notes:**

1. As per the proof of submissions made available to us, the Promoters filed the initial disclosure, on acquisition of Equity Shares through the Scheme of Amalgamation, with BSE on September 26, 2020. On November 20, 2020, the Promoters received an email from the BSE, observing the discrepancy in the disclosure made on September 26, 2020. Accordingly, the revised disclosure was made on November 20, 2020 with the BSE and the same is reflected on the website of BSE.
2. The disclosure under regulation 29(2) read with regulation 28(2) of SEBI (SAST) Regulations, 2011, in relation to acquisition of warrants, was submitted with BSE on March 05, 2024.
3. As per the proof of submission made available to us, we observed that the individual holding of the Promoters/Acquirers, before acquisition, details of acquisition and holding after the acquisition, were not disclosed.

**SEBI may take appropriate action against the Promoters of the Target Company in terms of SEBI (SAST) Regulations, 2011 and provisions of SEBI Act for any non-compliance/delay of SEBI (SAST) Regulations, 2011.**

20. The key financial details of the Target Company as extracted from its audited financial statements as at and for each of the 3 (three) preceding financial years ended on March 31, 2023, March 31, 2022, and March 31, 2021 and limited reviewed financial statements for the 9 (six) months period ended September 30, 2023 are as follow:

**Profit & Loss Statement:**

(Amount in ₹)

Particulars	For the year ended March 31		
	2023	2022	2021
Revenue from Operations	1,66,32,170	85,56,842	77,45,787
Other Income	9,580	23,407	98,567
<b>Total Income</b>	<b>1,66,41,750</b>	<b>85,80,249</b>	<b>78,44,354</b>
<b>Expenses:</b>			
Purchase of Stock-in-Trade	1,80,79,286	58,08,930	7,215,335
Changes in Inventory	(66,35,000)	(11,96,000)	(2,164,564)
Employee Benefit Expenses	17,56,532	12,81,266	1,190,644
Other Expenses	23,14,553	19,90,680	1,502,778
Finance Cost	3,05,311	2,41,788	315,287
Depreciation	3,75,784	2,32,318	214,791
<b>Total Expenses</b>	<b>1,61,96,466</b>	<b>83,58,982</b>	<b>82,74,272</b>
<b>Profit before exceptional items and tax</b>	<b>4,45,284</b>	<b>2,21,267</b>	<b>(4,29,918)</b>
<b>Profit/(Loss) before Tax</b>	<b>4,45,284</b>	<b>2,21,267</b>	<b>(4,29,918)</b>
<b>Tax Expenses:</b>			
(1) Current tax	-	-	-
(ii) Deferred Tax	61,131	761	1,232
(iii) Excess tax provision for earlier years	-	-	-
<b>Profit (Loss) for the period</b>	<b>3,84,153</b>	<b>2,20,506</b>	<b>(4,31,150)</b>

**Balance Sheet Statement:**

(Amount in ₹)

Particulars	As at March 31		
	2023	2022	2021
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(i) Equity Share Capital	48,00,000	48,00,000	19,00,000
(ii) Warrant Application Money / Amalgamation account pending for Allotment	1,35,50,000	-	29,00,000
(iii) Other Equity	(1,13,91,095)	(1,17,75,248)	(1,19,95,754)
<b>NET WORTH</b>	<b>(71,23,475)</b>	<b>(75,07,628)</b>	<b>(1,06,28,134)</b>
<b>(A) Non-Current Liabilities</b>			
Financial Liabilities	20,21,836	20,12,405	20,20,750
<b>(B) Current Liabilities</b>			
(i) Financial Liabilities			
(a) Borrowing	3,42,49,039	3,30,14,172	3,67,91,797
(b) Trade Payables	21,12,370	17,30,904	13,97,951
(c) Short Term Provisions	22,53,455	8,95,252	2,96,254
<b>TOTAL</b>	<b>4,30,88,695</b>	<b>3,06,77,484</b>	<b>3,27,18,491</b>
<b>ASSETS</b>			
<b>(A) Non-Current assets</b>			
(i) Property, Plant and Equipment	59,16,854	9,82,059	11,57,386

(ii) Investment Property	-	-	-
(iii) Deferred Tax Assets	36,758	97,889	98,650
(iv) Goodwill	-	-	-
(v) Financial Assets	-	-	-
(a) Investments	32,595	32,595	32,595
(b) Loans and deposits	33,64,066	92,97,525	85,97,525
<b>(B) Current Assets</b>			
(i) Financial Assets			
(a) Closing stock	1,71,85,000	1,05,50,000	93,54,000
(b) Cash and Cash equivalents	55,81,183	8,99,137	8,93,457
(c) Sundry Debtors	1,08,35,880	87,35,255	1,25,09,874
(d) Other Current Assets	1,36,359	83,024	75,004
<b>TOTAL</b>	<b>4,30,88,695</b>	<b>3,06,77,484</b>	<b>3,27,18,491</b>

**Other Financial Data:**

Particulars	For the year ended March 31		
	2023	2022	2021
Dividend (%)	-	-	-
Earnings Per Share (Basic & Diluted) (₹)	0.08	0.05	(0.23)
Book Value Per Share (₹)	(1.48)	(1.56)	(5.59)
Return on Net-worth (%)	Negative	Negative	Negative

The Limited reviewed financial statements for the 9 months ended December 31, 2023, is provided below:  
(₹ in lakhs)

Particulars	For the 9 months ended December 31, 2023
Revenue from Operations	48.35
Other Income	0.07
<b>Total Income</b>	<b>48.42</b>
<b>Expenses:</b>	
Purchase of Stock-in-Trade	52.65
Changes in Inventory	(9.40)
Employee Benefit Expenses	3.34
Other Expenses	5.74
Finance Cost	0.83
Depreciation	-
<b>Total Expenses</b>	<b>53.16</b>
<b>Profit before exceptional items and tax</b>	<b>(4.74)</b>
<b>Profit/(Loss) before Tax</b>	<b>(4.74)</b>
<b>Tax Expenses:</b>	
(1) Current tax	-
(ii) Deferred Tax	-
<b>Profit (Loss) for the period</b>	<b>(4.74)</b>

21. Pre and Post Offer Shareholding Pattern of the Target Company is and shall be as follows:

**Based on Voting Share Capital:**

Shareholders Category	Shareholding & Voting Rights prior to the Second Triggered Event and Offer		Equity Shares / Voting Rights agreed to be acquired which triggered off the Regulations*		Equity Shares / Voting Rights to be acquired in Open Offer (Assuming full Acceptances)*		Shareholding / Voting Rights after the acquisition and Open Offer*	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter and Promoter Group / Acquirers</b>								
<b>a. Acquirers:</b>	-	-	-	-	-	-	-	-
(i) Nilesh Malshi Savla	17,93,405	8.10	1,67,00,000	36.60	1,28,89,500	28.25	4,51,19,215	98.89
(ii) Meena Nilesh Savla	1,37,36,310	62.01	Nil	Not Applicable	1,28,89,500	28.25	4,51,19,215	98.89
<b>Total (a)</b>	<b>1,55,29,715</b>	<b>70.11</b>	<b>1,67,00,000</b>	<b>36.60</b>	<b>1,28,89,500</b>	<b>28.25</b>	<b>4,51,19,215</b>	<b>98.89</b>
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
<b>Total 1 (a+b)</b>	<b>1,55,29,715</b>	<b>70.11</b>	<b>1,67,00,000</b>	<b>36.60</b>	<b>1,28,89,500</b>	<b>28.25</b>	<b>4,51,19,215</b>	<b>98.89</b>
<b>(2) Public</b> (other than Promoter Group / Acquirers) *	66,20,285	29.89	67,75,000	14.85	(1,28,89,500)	(28.25)	5,05,785	1.11
<b>GRAND TOTAL (1+2)</b>	<b>2,21,50,000</b>	<b>100.00</b>	<b>2,34,75,000</b>	<b>51.45</b>	-	-	<b>4,56,25,000</b>	<b>100.00</b>

**Based on Emerging Voting Share Capital:**

Shareholders Category	Shareholding & Voting Rights prior to the Second Triggered Event and Offer		Equity Shares / Voting Rights agreed to be acquired which triggered off the Regulations*		Equity Shares / Voting Rights to be acquired in Open Offer (Assuming full Acceptances)*		Shareholding / Voting Rights after the acquisition and Open Offer*	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
<b>(1) Promoter and Promoter Group / Acquirers</b>								
<b>a. Acquirers</b>	-	-	-	-	-	-	-	-
(i) Nilesh Malshi Savla	17,93,405	8.10	1,67,00,000	33.69	1,28,89,500	26.00	4,51,19,215	91.01
(ii) Meena Nilesh Savla	1,37,36,310	62.01	Nil	Not Applicable	1,28,89,500	26.00	4,51,19,215	91.01
<b>Total (a)</b>	<b>1,55,29,715</b>	<b>70.11</b>	<b>1,67,00,000</b>	<b>33.69</b>	<b>1,28,89,500</b>	<b>26.00</b>	<b>4,51,19,215</b>	<b>91.01</b>
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
<b>Total 1 (a+b)</b>	<b>1,55,29,715</b>	<b>70.11</b>	<b>1,67,00,000</b>	<b>33.69</b>	<b>1,28,89,500</b>	<b>26.00</b>	<b>4,51,19,215</b>	<b>91.01</b>
<b>(2) Public</b> (other than Promoter Group / Acquirers) *	66,20,285	29.89	67,75,000	13.67	(1,28,89,500)	(26.00)	44,55,785*	8.99
<b>GRAND TOTAL (1+2)</b>	<b>2,21,50,000</b>	<b>100.00</b>	<b>2,34,75,000</b>	<b>47.35</b>	-	-	<b>4,95,75,000</b>	<b>100.00</b>

\*As on December 31, 2023, the total number of shareholders of the Target Company in the public category was 4,444.

Notes: As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Open Offer, pursuant to the Share Purchase Agreement and/or during the Offer period (if any), the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, and in a manner acceptable to the Acquirers.

## VII.OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A) JUSTIFICATION FOR THE OFFER PRICE

- The Equity Shares of the Target Company are presently listed only on BSE (Security ID: RKDAGRRTL and Scrip Code: 511169). The ISIN of Equity Shares of Target Company is INE552N01023. Currently, as on the date of the DLoF, the shares of the Target Company are trading under Graded Surveillance Measures (GSM) - Stage 3 (Source: [www.bseindia.com](http://www.bseindia.com)).
- The trading turnover in the Equity Shares of the Target Company on BSE, during the twelve calendar months preceding the calendar month in which the public announcement was required to be made ("Relevant Period"), is as set out below:

Event	Relevant Period	Total Number of Equity Shares traded	Weighted Average Number of listed Equity Shares	Trading Turnover (as % of Equity Shares listed)
First Triggering Event	From May 01, 2022 to April 30, 2023	200	48,00,000	-
Second Triggering Event	From February 01, 2023 to January 31, 2024	86,610	1,22,26,849	0.71

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

- Based on the above information, the Equity Shares of the Target Company are infrequently traded on the BSE on the First Triggering Event and the Second Triggering Event, within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
- The Offer Price of ₹ 1.12/- (One Rupee and Twelve Paise only), inclusive of an interest @10% per annum i.e. ₹ 0.12/- (Twelve Paise only), per Equity Share has been determined after considering the following in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011:

S. No.	Particulars	Price (₹ per Equity Share)	
		First Triggering Event	Second Triggering Event
a)	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make a Public Announcement	Not Applicable	Not Applicable
b)	Price per share of the Target Company for acquisition of shares by the Acquirers under the allotment attracting the obligation to make a Public Announcement	₹ 1	₹ 1
c)	The volume-weighted average price paid or payable for acquisitions, by the Acquirers, during the fifty two weeks immediately preceding the date attracting the obligation to make a Public Announcement	Not Applicable	₹ 1
d)	The highest price paid or payable for any acquisition, by the Acquirers, during the twenty six weeks immediately preceding the date attracting the obligation to make a Public Announcement	Not Applicable	Not Applicable
e)	The volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date attracting the obligation to make a Public Announcement as traded on the stock exchange, i.e., BSE	Not Applicable*	Not Applicable*
f)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager to the Open Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and	₹ 1 <sup>#</sup>	₹ 1 <sup>#</sup>
g)	The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, 2011, if applicable	Not Applicable <sup>@</sup>	

\*Not applicable as the Equity Shares are infrequently traded.

<sup>#</sup> FCA Payal Gada, Registered Valuer, as defined under section 247 of the Companies Act, 2013, under the category Securities or Financial Assets, registered with the Insolvency and Bankruptcy Board of India ("IBBI") with Registration No.: IBBI/RV/06/2019/11170, having office at S-15, Sej Plaza, 2nd Floor, Near Nutan School, Marve Road, Malad(W), Mumbai-400064; Contact No.: +91 22 28012075 / +91 98205 62075; Email id: [payal@payalgadaco.in](mailto:payal@payalgadaco.in), vide certificate dated February 10, 2024, has certified that the Fair Value of Equity Shares of the Target Company is ₹ 1 per Equity Share.

<sup>@</sup> Not applicable since the Offer is not pursuant to an indirect acquisition in terms of the SEBI (SAST) Regulations, 2011.

5. In view of the parameters considered and presented in the table above, the minimum offer price per Equity Share under Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011 should be the highest of above parameters, i.e., ₹ 1/- (Rupee One only) and the Offer Price is fixed at ₹ 1.12/- (One Rupee and Twelve Paise only), inclusive of an interest @10% per annum i.e. ₹ 0.12\*/- (Twelve Paise only), per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations, 2011.  
\*Considering the delay in making the public announcement the interest of ₹ 0.12/- (Twelve Paise only) calculated for the period of 422 days starting from the date of First Triggering Event, i.e. May 05, 2023 upto June 30, 2024.
6. There was no trading in the equity shares of the Target Company at BSE on the date of PA i.e. February 22, 2024 and the date immediately after PA i.e. February 23, 2024.  
(www.bseindia.com)
7. As on the date of this DLOF, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters in terms of Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted by the Acquirers, in consultation with the Manager, in the event of any corporate action(s) such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers, reduction of capital, etc. where the record date for effecting such corporate action(s) falls prior to the 3<sup>rd</sup> (third) Working Day before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations, 2011.
8. As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or to the size of this Offer. Public Shareholders shall be notified in case of any revision in Offer Price and/or Offer Size.
9. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, may be undertaken by the Acquirers at any time prior to the commencement of the last 1 (one) working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts; (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. However, the Acquirers shall not acquire any Equity Shares after the 3<sup>rd</sup> (third) Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer.
10. In the event of acquisition of the Equity Shares by the Acquirer(s) during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. As per the proviso to Regulation 8(8) of the SEBI (SAST) Regulations, 2011, the Acquirer(s) shall not acquire any Equity Shares after the 3<sup>rd</sup> (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
11. If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to Delisting Regulations, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company in any form.

## B) FINANCIAL ARRANGEMENTS

1. The Total consideration for the Open Offer, assuming full acceptance, i.e. for the acquisition of 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) Equity Shares, at the Offer Price of ₹ 1.12/- (One Rupee and Twelve Paise only) per Equity Share is ₹ 1,44,36,240/- (Rupees One Crore Forty Four Lakh Thirty Six Thousand Two Hundred Forty only) ("**Offer Consideration**").
2. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011, the Acquirers have opened an escrow cash account bearing Account No: 000405156666 ("**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 Market Division, 163, 5<sup>th</sup> Floor, H. T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020 and have made a cash deposit of ₹ 36,25,000/- (Rupees Thirty Six Lakh Twenty Five Thousand only), which is more than 25% of the entire consideration payable to the Equity Shareholders under this Offer, in the Escrow Cash Account.

Further, fixed deposit has been created against the aforesaid escrow amount and a lien has been marked in favour of the Manager to the Offer on the said fixed deposit.

3. The Acquirers have 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, 2011.
4. The Acquirers have confirmed that they have adequate financial resources to meet their obligations under the Open Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
5. The liquid assets of Acquirers as on February 17, 2024 is ₹ 1,59,87,245/- (Rupees One Crore Fifty Nine Lakh Eighty Seven Thousand Two Hundred Forty Five only) and the same is certified by Nishit Pravin Tanna (Membership Number: 153147), Partner of MNT and Associates LLP, Chartered Accountants (Firm Registration Number: W100115) having office at Office No 5, 3<sup>rd</sup> Floor, A wing, Vijay Appartment, Panchpakhadi, Thane-400602, Maharashtra, India, Contact No. +91 9820002820; Email ID: mnt.llp9@gmail.com; vide certificate dated February 17, 2024, bearing Unique Document Identification Number (UDIN)-24153147BKETUM5932.
6. 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 Acquirers to implement the Open Offer in full accordance with the SEBI (SAST) Regulations, 2011.
7. 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 Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, 2011.

## **VIII. TERMS AND CONDITIONS OF THE OFFER**

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### **1. Operational Terms and Conditions:**

- 1.1 The Offer is being made by the Acquirers to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders.
- 1.2 The LOF along with Form of Acceptance-cum-Acknowledgement will be sent to all Public Shareholders of the Target Company, except the Acquirers, whose names appear on the register of members of the Target Company and to the owner of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories at the close of business hours on the Identified Date.
- 1.3 The Identified Date for this Offer as per the schedule of activities is Wednesday, April 03, 2024. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF would be sent. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 1.4 The LOF shall be sent through electronic means to those Public Shareholder(s) who have registered their email ids with the depositories and the Target Company and also will be dispatched through physical mode by registered post / speed post / courier to those Public Shareholder(s) who have not registered their email ids and to those Public Shareholder(s) who hold Equity Shares in physical form. Further, on receipt of request from any Public Shareholder to receive a copy of LOF in physical format, the same shall be provided. In case of non-receipt of LOF and the Acceptance Form, please follow the procedure mentioned in the Letter of Offer.
- 1.5 Accidental omission to dispatch the LOF to any Public Shareholder entitled to this Open Offer or non -receipt of the LOF by any Public Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 1.6 The Acquirers are making this Offer to all Public Shareholders to acquire up to 1,28,89,500 (One Crore Twenty Eight Lakh Eighty Nine Thousand Five Hundred) Equity Shares, representing 26% of the Emerging Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the PA, DPS and the LOF.
- 1.7 In terms of the indicative schedule of major activities, the Tendering Period for the Offer shall commence on Monday, April 22, 2024, and close on Monday, May 06, 2024.
- 1.8 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time during the Tendering Period.
- 1.9 The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirers shall complete all procedures relating to payment of consideration under this Offer within ten (10) working days from the date of closure of the Tendering Period to those Public Shareholders who have validly tendered their Equity Shares and/or other documents are in order and are accepted for acquisition.
- 1.10 This Offer is not conditional upon any minimum level of acceptance in terms of Regulations 19 of the SEBI (SAST) Regulations, 2011.
- 1.11 This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011
- 1.12 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 1.13 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 1.14 The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to



be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

- 1.15 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011 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 or thereafter.
- 1.16 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer(s) in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size.
- 1.17 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 1.18 The Acquirers reserve the right to revise the Offer Price or the size of this Offer upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to Thursday, April 18, 2024 in accordance with the SEBI (SAST) Regulations, 2011 and the revision, if any, in the Offer Price or the size of this Offer would be announced in the same newspapers where the DPS was published. The Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.
- 1.19 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 within 2 (Two) days from the Offer Closing Date. It is advisable to first email scanned copies of the original documents as will be mentioned in the LOF to the Registrar to the Offer and then send physical copies to the address of the Registrar to the Offer as will be provided in the LOF. The process for tendering the Offer Shares by the Public Shareholders holding physical Equity Shares will be separately enumerated in the LOF.
- 1.20 The Acquirers, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

## **2. Locked in Shares:**

Except 44,30,000 (Forty Four Lakh Thirty Thousand) Equity Shares issued and allotted to Acquirer 2 on May 05, 2023 and 2,34,75,000 (Two Crore Thirty Four Lakh Seventy Five Thousand) Equity Shares (1,67,00,000 Equity Shares to Acquirer 1 and 67,75,000 to Non-Promoters) issued and allotted on February 10, 2024, none of the Equity Shares are under lock-in.

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.

## **3. Eligibility for accepting the Offer:**

- 3.1 All the Public Shareholders, registered or unregistered, of the Target Company, except the Acquirers, owning Equity Shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.
- 3.2 All the Public Shareholders, holding the shares in dematerialized form or physical 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. 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, 2011. 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, 2011.
- 3.3 Accidental omission to dispatch the LOF to any Public Shareholder entitled to this Open Offer or non-receipt or delayed receipt of the LOF by any Public Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 3.4 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired Equity Shares after

the Identified Date, or those who have not received the LOF, may also participate in this Open Offer. No indemnity shall be required from unregistered shareholders.

- 3.5 A copy of the LOF along with Form of Acceptance cum Acknowledgement will also be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in). The Public Shareholders may download LOF from SEBI's website and participate in the Offer.
- 3.6 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.
- 3.7 The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- 3.8 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 3.9 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

#### **4. Statutory and Other Approvals:**

- 4.1 As on the date of this DLOF, to the best of the knowledge of the Acquirers, there are no Statutory Approvals required by the Acquirers to complete the acquisition of the Equity Shares that are validly tendered to this Open Offer. In case, if any Statutory Approval(s) are required or become applicable at a later date before the closure of the Tendering Period, this Open Offer shall be subject to the receipt of all such Statutory Approval(s). The Acquirers shall make the necessary applications for such Statutory Approvals.
- 4.2 All Public Shareholders, Non-resident Indians (“NRIs”), erstwhile overseas corporate bodies (“OCBs”) and other non-resident holders of Equity Shares, must obtain all requisite approvals/exemptions required (including without limitation, the approval from the RBI), if any, to tender the Equity Shares held by them in this Open Offer and submit such approvals/ exemptions, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this 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 body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Open Offer.
- 4.3 In terms of Regulation 23 of the SEBI (SAST) Regulations, 2011, in the event that, for reasons outside the reasonable control of the Acquirers, any statutory approvals required are not received or refused, then the Acquirers shall have the right to withdraw the Open Offer. In the event of withdrawal of this Offer, for reasons outside the reasonable control of the Acquirers, a Public Announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which the DPS has been published and copy of such Public Announcement will also be sent to SEBI, Stock Exchange(s) and to the Target Company at its Registered Office.
- 4.4 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, 2011. 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, 2011 will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 4.5 Subject to the receipt of the statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Open Offer within 10 (ten) Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

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

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1. The Open Offer will be implemented by the Acquirers 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, 2011 and Chapter 4 of SEBI's Master Circular bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2023/31 dated February 16, 2023 ("**SEBI Master Circular**") issued by SEBI, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time.
2. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
3. The Acquirers have appointed Nikunj Stock Brokers Limited ("**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:** Nikunj Stock Brokers Limited

**Address:** A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi-110 007;

**Contact Person:** Mr. Anupam Suman

**Telephone:** + 91 11 47030017-18; **Mobile No.:** + 91 9999492292

**E-mail ID:** complianceofficer@nikunjonline.com

**Website:** www.nikunjonline.com

**Investor Grievance Email ID:** ig.nikunj@nikunjonline.com

**SEBI Registration No:** INZ000169335

4. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. 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. The Selling Broker can enter orders for physical and dematerialised Equity Shares.
5. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through the Selling Broker during normal trading hours of the secondary market. 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.
6. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stockbroker, then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code ("**UCC**") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Buying Broker may also act as Selling Broker for Public Shareholders. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stockbroker then the Public Shareholder may approach Buying Broker, to bid by using quick UCC facility. The requirement of documents and procedures may vary from broker to broker.
7. The cumulative quantity tendered shall be displayed on Designated Stock Exchange website (www.bseindia.com) throughout the trading session at specific intervals by Designated Stock Exchange during the Tendering Period.
8. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
9. The details of the 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 Offer Opening Date.
10. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
11. Equity 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 (Two) days from the Offer Closing Date. 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.
12. Equity Shares should not be submitted / tendered to the Manager, the Acquirers, or the Target Company.

13. 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.

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

1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
2. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker, that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom it does not have an account) may have to submit following details:

##### **(i) In case of Shareholder being an individual**

(a) If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- i. Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
- ii. Know Your Client (KYC) form Documents required (all documents self-attested):  
Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

##### **If Shareholder is not registered with KRA: Forms required:**

- i. CKYC form including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. KYC form Documents required (all documents self-attested):  
PAN card copy  
Address proof  
Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

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

##### **In case of Shareholder is HUF:**

(a) If Shareholder is registered with KRA: Forms required:

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

(b) If Shareholder is not registered with KRA: Forms required:

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

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

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

(a) If Shareholder is KRA registered: Form required

- i. Know Your Client (KYC) form Documents required (all documents certified true copy)  
Bank details (cancelled cheque)
- ii. Demat details (Demat master /Latest Demat statement)
- iii. FATCA, IPV, OSV if applicable
- iv. Latest list of directors/authorized signatories/partners/trustees
- v. Latest shareholding pattern

- vi. Board resolution
- vii. Details of ultimate beneficial owner along with PAN card and address proof
- viii. Last 2 years financial statements

**If Shareholder is not KRA registered: Forms required:**

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

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

4. 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 provided under the SEBI (SAST) Regulations, 2011 and Chapter 4 of the SEBI Master Circular, 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. The shareholders are advised to refer to the above circular of SEBI for placing of orders.
5. 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.
6. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
7. In case, the demat account of the Public Shareholders is held in one depository and clearing member pool and clearing corporation account is held with another depository, the Equity Shares tendered under this Offer shall be blocked in the Public Shareholders demat account at the source depository during the Tendering Period. Inter Depository Tender Offer ('IDT') instruction shall be initiated by the Public Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Public Shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. The details of Equity Shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.
8. 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.
9. 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.
10. 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.

11. The details of the 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.
12. 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.
13. Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
14. The reporting requirements for non-resident shareholders under Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Public Shareholder and/ or their Selling Broker.

#### **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, 2011.
2. 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. Attestation of signature(s) of all the holder(s) by Bankers in form ISR-2 (can be downloaded online [https://www.sebi.gov.in/sebi\\_data/commndocs/nov-2021/Form%20ISR-2\\_p.pdf](https://www.sebi.gov.in/sebi_data/commndocs/nov-2021/Form%20ISR-2_p.pdf))
  - f. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature); and

In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.

3. Based on these documents, the Selling Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
4. After placement of order, 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 / speed post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page) within 2 (two) days of bidding by the Selling Broker and not later than 2 (two) days from the Offer Closing Date i.e. Wednesday, May 08, 2024 (by 5 PM IST). The envelope should be superscribed as "**RKD AGRI & RETAIL LIMITED - OPEN OFFER.**" One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker. It is advisable to first email scanned copies of the original documents as mentioned in the LOF to the Registrar to the Offer and then send physical copies to the address of the Registrar to the Offer.
5. Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirers shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as 'unconfirmed 'physical bids. Once the Registrar to the Offer confirms the orders it will be treated as 'confirmed bids. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days from the Offer Closing Date shall be liable to get rejected.

6. In case any person has submitted Equity Shares in physical form for dematerialization, 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 i.e., Monday, May 06, 2024 or else their application will be rejected.
7. All documents mentioned above shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company and/or form ISR2 is not submitted.
8. 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.

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

1. The LOF along with Form of Acceptance-cum-Acknowledgement will be sent to all Public Shareholders of the Target Company, except the Acquirers, whose names appear on the register of members of the Target Company and to the owner of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories at the close of business hours on the Identified Date.
2. 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 i.e., Wednesday, April, 03, 2024, 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.
3. 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 Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.
4. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may 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 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. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

#### **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 Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in nonmarketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
- c) As provided under the SEBI (SAST) Regulations, 2011 and Chapter 4 of the SEBI Master Circular, in consultation with Depositories, Clearing Corporation and Stock Exchange, it has been decided that 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 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. All other procedures shall remain unchanged.

- d) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirers will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

### **Settlement Process**

1. On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager 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 based on Equity Shares transferred to the Clearing Corporation.
2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
3. The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. 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. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned to the Equity Shareholders directly by the Registrar.
7. The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker.
8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirers.
9. Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
10. Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer.
11. 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.
12. 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.

13. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
14. 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.
15. Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the 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.
16. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

## **NOTE ON TAXATION**

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**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE IT ACT (AS AMENDED BY FINANCE ACT, 2023) AND THE REGULATIONS THEREUNDER.**

**THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.**

**THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.**

**THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.**

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

**THE ACQUIRERS DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

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

### **GENERAL**

- a) As the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to 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.
- b) The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the 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 is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

- d) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- e) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of 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 Offer, based on the period of holding, residential status, classification of the shareholder and 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) The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out in the succeeding paras. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

### **Classification of Shareholders**

Public 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:**

Shares can be classified under the following two categories:

- a) Shares held as investment (Income from transfer of such shares taxable under the head "Capital Gains").
- b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "Profits and Gains from Business or Profession"). As per the current provisions of the IT Act, unless specifically exempted, gains arising from the transfer of shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e., stock-in-trade). Shareholders may also refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (CBDT) in this regard.

**Shares held as investment:** As per the provisions of the IT Act, where the shares are held as investments (i.e., capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains".

Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.

Capital gains in the hands of shareholders would be computed as per 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/STCG" or "long-term capital gain/LTCG":

a) In respect of Equity Shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“STCG”).

b) Similarly, where Equity Shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“LTCG”).

#### **Tendering of Shares in the Offer through a Recognized Stock Exchange in India:**

Where a transaction for transfer of such Equity Shares (i.e., acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to STT, then the taxability will be as under (for all categories of shareholders):

- a) As per the current provisions of the IT Act, under Section 112A of the IT Act, LTCG arising from transfer of Equity Shares exceeding one lakh rupees will be taxed at a rate of 10 percent without allowing benefit of indexation for resident shareholders and at a rate of 10 percent without allowing benefit of indexation and foreign exchange fluctuation for non-resident shareholders, provided the same has been subjected to STT, upon acquisition and sale.

If no STT is paid on acquisition, then mode of such acquisition should be exempted under the notification issued by CBDT vide Notification No. 60/2018 dated October 1, 2018 in order to get benefit of taxation at 10% under Section 112A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.

- b) LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018 as per Section 55 of IT Act.

For computing capital gains under the grandfathering regime, the cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.

- c) LTCG, as computed u/s. 112A, will not be liable to tax to the extent not exceeding ₹ 1,00,000 (Rupees One lakh only).
- d) Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the Equity Shares):
- i. LTCG will be chargeable to tax at the rate of 20% (plus applicable surcharge and health and education cess) or 10% (plus applicable surcharge and health and education cess) without allowing benefit of indexation, in the case of a non-resident Public Shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
  - ii. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).
  - iii. For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost shall not be available.
  - iv. For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG.
  - v. 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.

- e) As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 15% under section 111A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- f) In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.
- g) 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%.
- h) As per Section 70 of the IT Act, short term capital loss computed for a 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 eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- i) Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the IT Act.
- j) As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

### **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 on fulfilment of certain conditions specified therein. 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 Funds**

Under Section 10(23D) of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the Reserve Bank of India 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.

### **Shares held as Stock-in-Trade:**

- a) If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains from Business or Profession."
- b) Resident Shareholders
  - i. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
  - ii. Domestic companies having turnover or gross receipts not exceeding ₹ 400 crores in the relevant financial year as prescribed will be taxable @ 25%.
  - iii. Domestic companies which have opted for concessional tax regime under Section 115BAA will be taxable at 22%.
  - iv. For persons other than stated above, profits will be taxable @ 30%.
  - v. No benefit of indexation by virtue of period of holding will be available in any case

### **Profits of:**

- c) Non-Resident Shareholders: Non-resident shareholders can avail beneficial provisions of the applicable DTAA, read with the MLI, entered into between India and the respective country of which the said shareholder is tax resident, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.
- d) Where DTAA provisions are not applicable:
  - i. No benefit of indexation by virtue of period of holding will be available in any case.
  - ii. For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
  - iii. For foreign companies, profits would be taxed in India @ 40%.
  - iv. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, surcharge and health and education cess are leviable for resident and non-resident shareholders.

e) **Other Matters:** 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 (other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India under Sections 90/90A of the IT Act and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.

### **Tax Deduction at Source**

a) Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.

b) Non-Resident Shareholders:

i. In case of FIIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs, subject to fulfilment of the following conditions:

#### **ii. In case of non-resident tax payer (other than FIIs):**

- FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
- FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act (“TDC”), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.

#### **In case of non-resident tax payer (other than FIIs):**

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA and MLI, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

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.

Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate. The non-resident shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

In the event the Acquirer is 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 is entitled to be indemnified. 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, 2011 or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, 2011 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, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance 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 categorization of the interest, whether as capital gains or as other income). In the event the Acquirer is 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:**

As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable. Summary of the same is provided below:

**Surcharge:****i. In case of domestic companies:**

Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crore and @ 7% where the total income exceeds ₹ 1 crore but less than ₹ 10 crore for companies not opting for tax regime u/s. 115BAA and 115BAB.

In case of domestic companies which are liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable

**ii. In case of companies other than domestic companies:**

Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores.

Surcharge @ 2% where the total income exceeds ₹ 1 crore but less than ₹ 10 crores

**iii. In case of individuals, HUF, AOP, BOI:**

Surcharge at the rate of 10% is leviable where the total income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore.

Surcharge at the rate of 15% is leviable where the total income exceeds ₹ 1 crore but does not exceed ₹ 2 crores.

Surcharge at the rate of 25% is leviable where the total income exceeds ₹ 2 crores but does not exceed ₹ 5 crores.

Surcharge at the rate of 37% is leviable where the total income exceeds ₹ 5 crores.

However, for the purpose of income chargeable under section 111A, 112, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.

**In case of Firm and Local Authority:** Surcharge @12% is leviable where the total income exceeds ₹ 1 crore.

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

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

Note: 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.

## **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 605, 6<sup>th</sup> Floor, Centre Point, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai-400 059 and also electronically (as mentioned below) 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.

The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line [“Documents for Inspection - RKD Agri & Retail Limited - Open Offer”], to the Manager to the Open Offer at [openoffers@saffronadvisor.com](mailto:openoffers@saffronadvisor.com) and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

1. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
2. Net-worth Certificate of the Acquirer 1 dated February 17, 2024 issued by Nishit Pravin Tanna, Partner of MNT and Associates LLP, Chartered Accountants.
3. Net-worth Certificate of the Acquirer 2 dated February 17, 2024 issued by Nishit Pravin Tanna, Partner of MNT and Associates LLP, Chartered Accountants.
4. Certificate dated February 17, 2024, issued by Nishit Pravin Tanna, Partner of MNT and Associates LLP, Chartered Accountants, certifying that the Acquirers have sufficient assets and resources to meet the full obligations for acquisition of Equity Shares under the Open Offer.
5. Audited Annual reports of the Target Company for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021 and limited reviewed unaudited financial statements for the nine months period ended December 31, 2023.
6. Copy of Escrow Agreement dated February 19, 2024 between the Acquirers, Manager to the Offer and Escrow Bank.
7. Copy of letter from the Escrow Bank, confirming the cash deposit of amount kept in the Escrow Account.
8. Copy of Public Announcement dated February 22, 2024 and published copy of the Detailed Public Statement dated February 27, 2024.
9. A copy of the recommendation made by the Committee of Independent Directors (IDC) of the Target Company.
10. Observation letter bearing reference number [●] dated [●] received from SEBI.



## **XI. DECLARATION BY THE ACQUIRERS**

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1. The Acquirers accept full and final responsibility for the information contained in the PA, DPS, DLOF and / or the Letter of Offer (other than such information as has been obtained from public sources or provided by or relating to and confirmed by the Target Company) also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations, 2011 in respect of this Offer.
2. All the information pertaining to the Target Company contained in the PA, DPS DLOF and / or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or publicly available sources. The Acquirers and the Manager to the Open Offer have not been independently verified such information and do not accept any responsibility with respect to information provided in the PA, DPS and/or the Draft Letter of Offer / Letter of Offer pertaining to the Target Company and / or the Sellers.
3. The information contained in this Letter of Offer is as on the date of this Letter of Offer, unless expressly stated otherwise.
4. The persons signing this Draft Letter of Offer are the Acquirers.
5. The Acquirers shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations, 2011 and for their obligations as laid down in the SEBI (SAST) Regulations, 2011.

### **ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRERS**

<b>ACQUIRER 1</b>	<b>ACQUIRER 2</b>
<b>Sd/- Nilesh Malshi Savla</b>	<b>Sd/- Meena Nilesh Savla</b>

**Place:** Mumbai

**Date:** March 05, 2024