

December 31, 2020

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001, India.

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051, India.

Dear Sirs,

Subject: Draft Letter of Offer dated December 31, 2020 (“DLoF”) in relation to an open offer to the Public Shareholders (as defined in the DLoF) of Fairchem Organics Limited (the “Target Company”) (“Open Offer”/ “Offer”).

FIH Mauritius Investments Ltd (“**Acquirer**”) along with FIH Private Investments Ltd (“**PAC 1**”), Nahoosh Jariwala (“**PAC 2**”), Utkarsh Shah (“**PAC 3**”) Jariwala Tradelink LLP (“**PAC 4**”) and Nahoosh Tradelink LLP (“**PAC 5**”) (hereinafter PAC 1, PAC 2, PAC 3, PAC 4 and PAC 5 are collectively referred to as the “**PACs**”), in their capacity as the persons acting in concert with the Acquirer, have announced an open offer for acquisition of up to 33,77,953 fully paid-up equity shares of face value of Rs. 10 each (“**Equity Shares**”) from the Public Shareholders of Fairchem Organics Limited (the “**Target Company**”), representing 25.94% of the Voting Share Capital, at a price of INR 575.53 per Equity Share (the “**Offer Price**”) aggregating to total consideration of INR 1,94,41,13,290.09 payable in cash.

We had submitted the public announcement dated December 24, 2020 and the detailed public statement dated December 30, 2020 published on December 31, 2020.

In accordance with regulation 18(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereto, we are pleased to enclose a copy of the DLoF.

Capitalised terms not defined herein have the same meaning as specified in the enclosed DLoF.

Thanking You,

For **JM Financial Limited**

Rohit Baheti



Authorized Signatory

Enclosure: as above.

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer (“**Draft Letter of Offer**” or “**DLoF**”) is sent to you as a Public Shareholder (defined below) of Fairchem Organics Limited. If you require any clarifications about the actions to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (as defined below) or the Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over the Letter of Offer and the accompanying Form of Acceptance-*cum*-Acknowledgment to the member of stock exchange through whom the said sale was effected.

FIH Mauritius Investments Ltd (“Acquirer”)

A private company limited by shares, incorporated under the laws of the Republic of Mauritius
Registered Office: Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius.
(Tel: +230 464 3040, Fax: +230 468 1930)

along with the following persons acting in concert (“PACs”)

FIH Private Investments Ltd (“PAC 1”)

A private company limited by shares incorporated under the laws of Republic of Mauritius
Registered office:
Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius
(Tel: +230 464 3040, Fax: +230 468 1930)

And

Mr. Nahoosh J. Jariwala (“PAC 2”)

An individual residing at ‘Jariwala’, Rajpath Club - Rangoli Road, Beside Shashwat Bungalows, Bodakdev, Ahmedabad-380059
(Tel: +91 90163 24095)

And

Mr. Utkarsh B. Shah (“PAC 3”)

An individual residing at Anantam Bungalow, Rajpath - Rangoli 100 Ft Road, Near Shashwat Bungalows, Bodakdev, Ahmedabad-380054
(Tel: +91 99099 14190)

And

Jariwala Tradelink LLP (“PAC 4”)

A limited liability partnership incorporated under the provisions of Limited Liability Partnership Act, 2008
Registered office: ‘Jariwala’, Beside Shashwat Bungalows, Rajpath Club - Rangoli Road, Bodakdev Ahmedabad 380059
(Tel: +91 90163 24095, Fax: N.A.)

And

Nahoosh Tradelink LLP (“PAC 5”)

A limited liability partnership incorporated under the provisions of Limited Liability Partnership Act, 2008
Registered office: Jariwala, Beside Shashwat Bungalows, Rajpath Club, Rangoli Road, Bodakdev Ahmedabad 380059
(Tel: +91 90163 24095, Fax: N.A.)

(hereinafter PAC 1, PAC 2, PAC 3, PAC 4 and PAC 5 are collectively referred to as the “PACs”)

MAKES A CASH OFFER OF INR 575.53 (INDIAN RUPEES FIVE HUNDRED SEVENTY FIVE AND FIFTY THREE PAISE ONLY) PER FULLY PAID UP EQUITY SHARE OF THE FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH, TO ACQUIRE UP TO 33,77,953 (THIRTY THREE LAKHS SEVENTY SEVEN THOUSAND NINE HUNDRED AND FIFTY THREE) FULLY PAID UP EQUITY SHARES REPRESENTING 25.94% (TWENTY FIVE POINT NINE FOUR PERCENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW) TO THE PUBLIC SHAREHOLDERS OF

FAIRCHEM ORGANICS LIMITED

a listed public limited company incorporated under the Companies Act, 2013
Registered Office: Plot A-71, TTC Industrial Estate, Nr. Thane Belapur Road, Kopar Khairane, Navi Mumbai, 400 709, Maharashtra
(Tel: +91 94099 58550, Fax: N.A.)
CIN: U24200MH2019PLC323176

1. This Offer is being made by the Acquirer along with PACs pursuant to and in compliance with the provisions of Regulation 3(2) and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI SAST Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this DLoF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer / PACs to complete this Open Offer. However, in case any statutory approvals are required by the Acquirer / PACs at a later date before closure of the tendering period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals.
5. The Acquirer may withdraw the Offer in accordance with the conditions specified in Paragraph 12.21 of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the DPS (*defined below*) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
6. The Acquirer reserves the right to revise the Offer Price upwards at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI SAST Regulations. In the event of acquisition of the Equity Shares by the Acquirer 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. In the event of any revision of the Offer Price, the Acquirer shall: (i) make corresponding further deposits into the Escrow Account or enhance the Bank Guarantee, in accordance with SEBI SAST Regulations; (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, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
7. **If there is a competing offer, the public offers under all subsisting bids will open and close on the same date.**
8. A copy of the Public Announcement, the DPS and the Draft Letter of Offer (including the Form of Acceptance-*cum*-Acknowledgement) is also available, and the Letter of Offer (including Form of Acceptance-*cum*- Acknowledgement) will also be available, on the website of SEBI (www.sebi.gov.in).

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

Manager to the Offer	Registrar to the Offer
 JM Financial Limited 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, India. Tel: +91 22 6630 3030/ +91 22 6630 3262 Fax: +91 22 6630 3330 Email: fairchem.openoffer@jmfl.com Website: https://www.jmfl.com Contact person: Ms. Prachee Dhuri SEBI Registration Number: INM000010361 CIN: L67120MH1986PLC038784	 Link Intime India Private Limited Address: C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel: + 91 22 49186200 Fax: + 91 22 49186195 Website: www.linkintime.co.in Email: fairchem.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058 CIN: U67190MH1999PTC118368

SCHEDULE OF ACTIVITIES

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

No.	Name of Activity	Schedule # (Day and Date)
1.	Issue of Public Announcement	Thursday, December 24, 2020
2.	Publication of the DPS in newspapers	Thursday, December 31, 2020
3.	Filing of this Draft Letter of Offer with SEBI	Thursday, December 31, 2020
4.	Last date for public announcement for competing offer(s)	Thursday, January 21, 2021
5.	Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Thursday, January 21, 2021
6.	Identified Date*	Monday, January 25, 2021
7.	Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date	Tuesday, February 02, 2021
8.	Last date for upward revision of the Offer Price	Friday, February 05, 2021
9.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Public Shareholders of the Target Company for this Offer	Friday, February 05, 2021
10.	Date of publication of Offer Opening Public Announcement (<i>as defined below</i>), in the newspapers in which the DPS has been published	Monday, February 08, 2021
11.	Date of commencement of the Tendering Period (“ Offer Opening Date ”)	Tuesday, February 09, 2021
12.	Date of closure of the Tendering Period (“ Offer Closing Date ”)	Tuesday, February 23, 2021
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders of the Target Company	Tuesday, March 09, 2021
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	Wednesday, March 17, 2021

The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of approval from SEBI and may have to be revised accordingly throughout this document.

**The Identified Date (as defined below) is relevant for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except the Acquirer, the promoter, members of the promoter group of the Target Company, the PACs, the parties to the Underlying Transaction, and any persons deemed to be acting in concert with any of the parties mentioned above), are eligible to participate in the Offer any time during the Tendering Period pursuant to and in compliance with the SEBI (SAST) Regulations.*

RISK FACTORS

THE RISK FACTORS SET FORTH BELOW ARE INDICATIVE ONLY AND ARE NOT INTENDED TO PROVIDE A COMPLETE ANALYSIS OF ALL RISKS AS PERCEIVED IN RELATION TO THE UNDERLYING TRANSACTIONS AND THE OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER AND PACs. THE RISK FACTORS SET FORTH BELOW DO NOT RELATE TO THE PRESENT OR FUTURE BUSINESS OR OPERATIONS OF THE TARGET COMPANY AND ANY OTHER RELATED MATTERS, AND ARE NEITHER EXHAUSTIVE NOR INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF THE RISKS INVOLVED IN THE PARTICIPATION BY ANY PUBLIC SHAREHOLDER IN THE OFFER. THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR STOCK BROKER, INVESTMENT CONSULTANT OR TAX ADVISOR FOR AN UNDERSTANDING OF THE FURTHER RISKS ASSOCIATED WITH THEIR PARTICIPATION IN THE OFFER.

1. Risk factors relating to the Underlying Transaction

- 1.1. As on the date of this Draft Letter of Offer, to the knowledge of the Acquirer and PACs, there are no statutory approvals required by the Acquirer and / or the PACs, to complete the Underlying Transaction (*as defined below*) and this Open Offer. However, in case any statutory approvals are required by the Acquirer / PACs at a later date before closure of the tendering period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals.
- 1.2. The Underlying Transaction and this Open Offer are also subject to certain conditions precedent in the FOL SPA (*as defined below*) and the Other FOL SPA (*as defined below*) and if these conditions are not satisfied or waived in accordance with the terms of the SPAs (*as defined below*), or any termination event occurs, the Underlying Transaction may be terminated.
- 1.3. The information contained in this Draft Letter of Offer is as of date of this Draft Letter of Offer unless specified otherwise. The Acquirer, PACs and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

2. Risk factors relating to the Offer

- 2.1. The Acquirer may withdraw the Offer in accordance with the conditions specified in Paragraph 12.21 of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager to the Offer) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the DPS had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 2.2. In the event of any litigation leading to a stay order on or an injunction against this Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are validly tendered and accepted by the Acquirer under this Offer, as well as the return of Equity Shares not accepted under this Offer by the Acquirer may be delayed.
- 2.3. The Equity Shares tendered in the Offer will be held in trust by the Clearing Corporation, on behalf of the Public Shareholders who have tendered their Equity Shares 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 held in trust by the Clearing Corporation during such period, even if the acceptance of the Equity Shares in this Offer and/or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares and disclaims 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 their participation in this Offer.

- 2.4. The Public Shareholders should note that under the SEBI (SAST) Regulations, once the Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of the Equity Shares under the Offer and/or the dispatch of consideration.
- 2.5. All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender their Equity Shares in the Offer (including without limitation, approval from the RBI (*as defined below*) if applicable) and submit copies of such approvals, along with the other documents required for accepting this Offer. In the event that copies of such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares, along with the other documents required to be submitted to accept this Offer. In the event copies of such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares.
- 2.6. As on the date of this Draft Letter of Offer, to the knowledge of the Acquirer and PACs, there are no statutory approval(s) required by the Acquirer to complete this Open Offer. However, in case of any further statutory approval(s) being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for obtaining such approvals. In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), and subject to such terms and conditions as may be specified by SEBI (including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations) grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer. Furthermore, in case of delay in receipt of any such statutory approval(s), the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer.
- 2.7. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility in this regard, including for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- 2.8. 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 ensure compliance with any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer, the PACs or the Manager to the Offer to any new or additional registration requirements.
- 2.9. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer, the Offer Opening Public Announcement or in any corrigendum (if issued) or any other materials issued by or at the instance of the Acquirer and the Manager to the Offer in relation to the Offer (excluding all information which has been obtained from publicly available sources), and anyone or any person placing reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) in relation to the Offer will be doing so at his/her/its own risk.
- 2.10. This Offer is subject to completion risks as would be applicable to similar transactions.

3. Probable risks involved in associating with the Acquirer

- 3.1. The Acquirer makes no assurances with respect to its investment / divestment decisions relating to its proposed shareholding in the Target Company.

- 3.2. Neither the Manager to the Offer nor the Acquirer make any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
- 3.3. Neither the Manager to the Offer nor the Acquirer can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.
- 3.4. Upon completion of the Offer (assuming full acceptances in the Offer) and the Underlying Transaction, the public shareholding of the Target Company may fall below the minimum level of public shareholding as required to be maintained as per Regulation 38 of the SEBI (LODR) Regulations (as defined below) read with Rule 19A of the SCRR (*as defined below*). While the Acquirer and the PACs are required to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and the SEBI (LODR) Regulations, within the time period stated therein through permitted routes and any other such routes as may be approved by SEBI from time to time, any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.
- 3.5. The information pertaining to the Target Company and the Sellers contained in the PA (*as defined below*) or DPS or DLoF or LoF or any other advertisement / publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company and the Sellers (*as defined below*) respectively, as the case may be, or publicly available sources. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

DISCLAIMER FOR PERSONS IN THE UNITED STATES

This Offer is made for the securities of a non-US issuer. The Offer is subject to disclosure requirements of India that are different from those of the United States. The financial information included in this document was excerpted from financial statements prepared in accordance with non-US accounting standards that may not be comparable to the financial statements of United States companies. This Draft Letter of Offer has not been filed with or reviewed by the US Securities and Exchange Commission or any US state securities regulator.

This Draft Letter of Offer does not in any way constitute an offer to purchase or an invitation to sell, any securities in any state or territory of the United States in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This Draft Letter of Offer does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to “Rs.” / “INR” are to Indian Rupee(s), the official currency of India. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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DEFINITIONS / ABBREVIATIONS

TERM	DEFINITION / DETAILS
“Acquirer”	FIH Mauritius Investments Ltd
“Business Day”	Any day on which banks are open for general banking purposes in Mumbai, India, other than a Saturday, Sunday or a public holiday.
“BSE”	BSE Limited (website: www.bseindia.com).
“CIN”	Corporate Identity Number.
“DPS”	The detailed public statement in connection with the Offer, published on behalf of the Acquirer on December 31, 2020 in the following newspapers: all editions of Financial Express (English), all editions of Jansatta (Hindi), and the Mumbai edition of Navshakti (Marathi).
“Draft Letter of Offer”	This draft letter of offer dated December 31, 2020, filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
“Equity Share Capital”	INR 130,209,020 (Indian Rupees One Hundred Thirty Million Two Hundred Nine Thousand Twenty only) being the total paid-up equity share capital of the Target Company consisting of 13,020,902 Equity Shares.
“Equity Share”	Fully paid-up equity share of the Target Company of face value of INR 10 (Indian Rupees Ten only) each.
“Escrow Account”	Escrow account under the name and title of ‘FIH Mauritius Investment Ltd Escrow Account’ bearing account number 0177-04212075-195002 with the Escrow Agent.
“Escrow Agent”	CSB Bank Limited is a banking company within the meaning of the Banking Regulation Act, 1949, having its registered office at CSB Bhavan, St.Mary’s College Road, Thrissur, Kerala-680020.
“Escrow Agreement”	Escrow agreement dated December 24, 2020 entered into between the Acquirer, the Manager to the Offer and the Escrow Agent.
“Escrow Amount”	The cash amount deposited by the Acquirer in the Escrow Account in compliance with Regulation 17 of the SEBI (SAST) Regulations, being INR 1,95,00,000 (Indian Rupees One Crore Ninety Five Lakhs only).
“FOL SPA”	Share Purchase Agreement entered into by the Acquirer, Sellers and the Target Company on May 22, 2019, as amended on September 30, 2020.
“FEMA”	Foreign Exchange Management Act, 1999, as amended, and as per rules or regulations issued thereunder.
“Bank Guarantee”	The bank guarantee from The Hongkong and Shanghai Banking Corporation Limited in favour of the Manager to the Offer in compliance with Regulation 17 of the SEBI (SAST) Regulations.
“Identified Date”	The date falling on the 10 th (Tenth) Working Day prior to the commencement of the Tendering Period.

TERM	DEFINITION / DETAILS
“Income Tax Act”	Income Tax Act, 1961, as amended.
“Manager to the Offer”	JM Financial Limited, a company registered under the provisions of the Companies Act, 1956 and governed under the provision of companies Act, 2013, having its office at 7th floor, Energy Building, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025, registered with the Securities and Exchange Board of India as a Merchant Banker pursuant to applicable SEBI regulations.
“Maximum Offer Consideration”	INR 1,94,41,13,290.09 (Indian Rupees One Hundred Ninety Four Crore Forty One Lakhs Thirteen Thousand Two Hundred Ninety and Nine Paise only), being the total consideration payable to the Public Shareholders by the Acquirer pursuant to the Offer, assuming full acceptance of the Offer.
“NSE”	National Stock Exchange of India Limited (website: www.nseindia.com)
“Offer Opening Public Announcement”	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer.
“Offer”	Open offer made by the Acquirer for acquisition of the Offer Shares from the Public Shareholders of the Target Company, at the Offer Price per Offer Share.
“Offer Consideration”	The total consideration payable by the Acquirer to the Public Shareholders who have validly tendered Equity Shares and whose Equity Shares are accepted by the Acquirer under this Offer.
“Offer Period”	The same meaning ascribed to it in the SEBI (SAST) Regulations.
“Offer Price”	INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise only) per Offer Share.
“Offer Shares”	33,77,953 (Thirty Three Lakhs Seventy Seven Thousand Nine Hundred And Fifty Three) Equity Shares of the Target Company.
“Offer Size”	Offer Shares representing 25.94% (Twenty Five Point Nine Four Percent) of the Voting Share Capital. (As per SEBI (SAST) Regulations, the Open Offer under Regulation 3 and 4 shall be for at least 26% of the total share capital of a target company, as of 10 th working day from the closure of the tendering period. However, as on date, the public shareholding of the Target Company is 25.94 % of the total outstanding share capital, and therefore, the Offer Shares represent 25.94% of the Voting Share Capital (defined below) of the Target Company)
“Other FOL SPA”	Share Purchase Agreement entered into by PAC 3, PAC 4, PAC 5, Sellers and the Target Company on May 22, 2019, as amended on September 30, 2020
“PAN”	Permanent Account Number
“Public Announcement” or “PA”	The public announcement in connection with the Offer made by the Manager to the Offer on behalf of the Acquirer to the Stock Exchanges on December 24, 2020, submitted to SEBI on December 24, 2020 and sent to the Target Company on December 24, 2020.
“Public Shareholders”	All holders of the Voting Share Capital of the Target Company, other than the Acquirer, the

TERM	DEFINITION / DETAILS
	promoter, members of the promoter group of the Target Company, the PACs, the parties to the Underlying Transaction, and any persons deemed to be acting in concert with any of the parties mentioned above, pursuant to and in compliance with the SEBI (SAST) Regulations
“RBI”	Reserve Bank of India
“Registrar to the Offer”	Link Intime India Private Limited
“SCRR”	Securities Contracts (Regulation) Rules, 1957, as amended
“SEBI Act”	Securities and Exchange Board of India Act, 1992, as amended.
“SEBI (SAST) Regulations”	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
“SEBI (LODR) Regulations”	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
“SEBI”	Securities and Exchange Board of India
“Sellers”	The names that are listed in paragraph 9 of this DLoF
“Stock Exchanges”	BSE and NSE
“SPAs”	FOL SPA and the Other FOL SPA
“STT”	Securities Transaction Tax
“Target Company”	Fairchem Organics Limited, a company incorporated under the laws of India with CIN U24200MH2019PLC323176 and whose registered office is at Plot A-71, TTC Industrial Estate, Nr. Thane Belapur Road, Kopar Khairane, Navi Mumbai 400709, Maharashtra, India.
“Tendering Period”	February 09, 2021 to February 23, 2021 (both days inclusive)
“TRS”	Transaction Registration Slip
“Voting Share Capital”*	The total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10 th) Working Day from the closure of the tendering period of the Open Offer (which may change on account of any future corporate actions).
“Working Day”	The same meaning ascribed to it in the SEBI (SAST) Regulations.

1. DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF FAIRCHEM ORGANICS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS REGARD, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKERS, JM FINANCIAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 31, 2020 TO SEBI IN ACCORDANCE WITH SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of this Offer

PART A - Underlying Transactions

2.1.1 This Offer is being made by the Acquirer and PACs in terms of Regulation 3(2) and 4 of the SEBI (SAST) Regulations pursuant to the following:

- (a) The Acquirer, Sellers and the Target Company entered into a share purchase agreement on May 22, 2019, as amended on September 30, 2020 (“**FOL SPA**”), pursuant to which, the Acquirer agreed to purchase 23,30,757 (Twenty Three Lakhs Thirty Thousand Seven Hundred and Fifty Seven) Equity Shares representing 17.9% (Seventeen Point Nine Percent) of the Voting Share Capital, for cash at a price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) per Equity Share from the Sellers, subject to fulfilment of the conditions precedent set out in the FOL SPA.
- (b) In addition to the FOL SPA, PAC 3, PAC 4 and PAC 5, Sellers and the Target Company have also entered into a share purchase agreement on May 22, 2019, as amended on September 30, 2020 (“**Other FOL SPA**”), pursuant to which, PAC 3, PAC 4 and PAC 5 agreed to purchase 6,21,834 (Six Lakhs Twenty One Thousand Eight Hundred and Thirty Four) Equity Shares representing 4.78% (Four Point Seven Eight Percent) of the Voting Share Capital, for cash at a price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) per Equity Share from the Sellers, subject to fulfilment of the conditions precedent set out in the Other FOL SPA.

The transactions set out in paragraphs 2.1.1(a) and 2.1.1(b) above are collectively referred to as the “**Underlying Transaction**”. Set out below are the details of the Underlying Transaction:

Type of transaction (direct / indirect)	Mode of transaction (Agreement/ Allotment/ market purchase)	Shares/ Voting rights acquired/ proposed to be acquired		Total consideration for shares/ voting rights acquired (INR)	Mode of payment	Regulation which has triggered
		Number	% vis-à-vis total Equity/ Voting Share Capital			
Direct	Acquisition of Equity Shares of the Target Company by the Acquirer pursuant to the FOL SPA	23,30,757	17.9%	134,14,20,576.21	Cash	Regulation 3(2) and Regulation 4 of the SEBI (SAST) Regulations
	Acquisition of Equity Shares of the Target Company by PAC 4 and PAC 5 pursuant to the Other FOL SPA	6,21,834	4.78%	35,78,84,122.02	Cash	
	Shareholders' agreement dated May 22, 2019 entered into among the Acquirer, PACs and Target Company	-	-	-	-	
Total		29,52,591	22.68%	1,699,304,698.23	-	-

2.1.2 The object and purpose of the Underlying Transaction is to re-align the inter se shareholding between the existing promoter groups in the Target Company pursuant to which the Sellers propose to sell their entire shareholding in the Target Company to the other existing promoters.

2.1.3 As on the date of this Draft Letter of Offer, the Fairfax group, the Adi Group and the Privi Group exercise joint control over the Target Company. Pursuant to the consummation of the Underlying Transaction, the Sellers (Privi Group) shall cease to exercise control over the Target Company and Fairfax Group and Adi Group shall continue to exercise control over the Target Company.

PART B - Additional Details

2.1.4 Privi Speciality Chemicals Limited (erstwhile Fairchem Speciality Limited) (“**FSL**”) is a company incorporated in India with its shares listed on the Stock Exchanges. FSL directly carried out the business of manufacturing, supplying and exporting of speciality oleo chemicals (natural source) and neutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils (“**Business**”). Further, through its erstwhile wholly owned subsidiary, Privi Organics India Limited (“**POIL**”), which has since been amalgamated into FSL, it carried the business of development, manufacture and processing of the Aroma Chemical (“**Other Business**”).

2.1.5 On May 22, 2019, the Company, along with FSL and POIL entered into a composite scheme of arrangement (“**Scheme**”), to undertake the following: (a) with effect from close of business hours on March 31, 2019, *inter alia*, (i) the undertaking comprising of the entire operations, activities, business division and undertaking of the Business was transferred by way of demerger from FSL to the Target Company and the Target Company’s Equity Shares were issued and allotted to the

shareholders of FSL in accordance with the share entitlement ratio set out in the Scheme, such that the shareholders of FSL as on August 24, 2020 (the “**Record Date**”), would hold the Equity Shares in the same ratio as their shareholding in FSL, (ii) simultaneously with the issue and allotment of shares by the Company to the shareholders of FSL, the equity shares held by FSL in the Target Company were cancelled, and (b) with effect from opening of business hours on April 1, 2019, POIL, a wholly owned subsidiary of FSL, was merged into FSL and simultaneously, the equity shares held by FSL in POIL were cancelled. The Scheme received all relevant approvals from SEBI and the Stock Exchanges, the shareholders of each company and the National Company Law Tribunal, Mumbai bench, and consequently, on August 12, 2020 i.e. the effective date of the completion of the demerger under the Scheme, the Business was transferred to the Target Company.

2.1.6 The Acquirer, Sellers and the Target Company entered into the FOL SPA for the purpose of acquisition of 23,30,757 (Twenty Three Lakhs Thirty Thousand Seven Hundred and Fifty Seven) Equity Shares for a total consideration of INR 134,14,20,576.21 (Indian Rupees One Hundred Thirty Four Crores Fourteen Lakhs Twenty Thousand Five Hundred Seventy Six and Twenty One Paise only). Some of the key provisions of the FOL SPA are set out below:

- (a) The completion of the transaction set out in the FOL SPA is subject to fulfilment of certain conditions precedent, including inter alia: (i) Equity Shares of the Company having been issued to the shareholders of FSL pursuant to the Scheme; (ii) the Open Offer having been completed and the report of the Manager having been received in compliance with Regulation 27(7) of the SEBI (SAST) Regulations; and (iii) Fulfilment of conditions precedent under the Other FOL SPA and the relevant FSL Agreements (*as defined below*). The ‘long stop date’ under the FOL SPA is March 31, 2021.
- (b) The parties to the FOL SPA have agreed that upon completion of the Underlying Transaction, necessary steps for re-classification of the Privi Group from ‘promoters or promoter group’ to the ‘public’ category in the Target Company shall be undertaken as soon as possible.

2.1.7 The Sellers, PAC 3, PAC 4, PAC 5 and the Target Company entered into the Other FOL SPA for the purpose of acquisition of 6,21,834 (Six Lakhs Twenty One Thousand Eight Hundred and Thirty Four) Equity Shares for a total consideration of INR 35,78,84,122.02 (Indian Rupees Thirty Five Crores Seventy Eight Lakhs Eighty Four Thousand One Hundred Twenty Two and Two Paise only). Some of the key provisions of the Other FOL SPA are set out below:

- (a) The completion of the transaction set out in the Other FOL SPA is subject to fulfilment of certain conditions precedent, including inter alia: (i) Equity Shares of the Company having been issued to the shareholders of FSL pursuant to the Scheme; (ii) the Open Offer having been completed and the report of the Manager having been received in compliance with Regulation 27(7) of the SEBI (SAST) Regulations; and (iii) fulfilment of conditions precedent under the FOL SPA and the relevant FSL Agreements. The ‘long stop date’ under the Other FOL SPA is March 31, 2021.
- (b) The parties to the Other FOL SPA have agreed that upon completion of the Underlying Transaction, necessary steps for re-classification of the Privi Group from ‘promoters or promoter group’ to the ‘public’ category in the Target Company shall be undertaken as soon as possible.

2.1.8 Apart from the FOL SPA and Other FOL SPA, the Acquirer, PAC 1, PAC 2, PAC 4, PAC 5 and the Target Company have, amongst themselves also executed a Shareholders Agreement (“**SHA**”) in relation to the Target Company, which came into effect on August 12, 2020. For the purpose of herein, the Acquirer and PAC 1 have been referred to as ‘Fairfax India’ and the PAC 2, PAC 4 and PAC 5 have been referred to as the ‘Adi Group’. The SHA, *inter alia*, includes the following key provisions:

- (a) Board composition: The Adi Group has the right to nominate one director on the Target Company board as long as they hold at least 5% of the Equity Share capital of the Target Company.

- (b) Reserved Matters: No action or decision relating to certain matters (identified as ‘Reserved Matters’ under the SHA) shall be taken by the board or shareholders, without the prior written approval of Fairfax India.
- (c) Transfer restrictions (including right of first refusal): Any shares in the Target Company held by the Adi Group may only be transferred by such persons or their immediate relatives, to the ‘Permitted Transferees’ of the Adi Group (as identified in the SHA), subject to certain conditions, including inter alia such transferee executing a deed of adherence to the SHA. Transfers to persons other than such Permitted Transferees would be subject to the right of first refusal in favour of Fairfax India. Fairfax India has the right to transfer any or all of the shares held by it to any person without any restrictions.
- (d) Pre-emptive right: In the event the board of directors of the Target Company proposes to issue equity securities to any person, it is required to also offer such additional equity securities to each of Fairfax India and Adi Group (in proportion of their shareholding) at the same price on a per equity security basis, on which the equity securities are being offered to such person.
- (e) Periodic reporting requirements: The Target Company is required to provide certain information and reports to Fairfax India on a quarterly and annual basis, including inter alia its quarterly/ annual financial statements, cash flow statements and auditor’s reports.

- 2.1.9 All the shareholders of FSL who were shareholders of FSL on the Record Date have been allotted Equity Shares on August 26, 2020 in the same proportion as their shareholding in FSL on the basis of 1 fully paid equity share of Rs 10 each of the Target Company for every 3 equity shares of Rs 10 each held in FSL. After the effective date of the demerger, the Target Company has received the listing and trading approval for the Equity Shares from the Stock Exchanges, and such trading commenced on December 24, 2020.
- 2.1.10 The group of individuals and incorporated persons collectively known as the ‘Privi Group’ (“**Sellers**”) were shareholders of FSL on the record date, and collectively held 88,57,773 (Eighty Eight Lakhs Fifty Seven Thousand Seven Hundred and Seventy Three) equity shares of FSL constituting 22.68% of the entire paid up share capital of FSL. Consequently, they were allotted 29,52,591 (Twenty Nine Lakhs Fifty Two Thousand Five Hundred and Ninety One) Equity Shares, constituting 22.68% (Twenty Two Point Six Eight Percent) of the total paid up share capital of the Target Company. Further information about each of the Sellers is set out at paragraph 9 below.
- 2.1.11 The promoter shareholders of FSL have also entered into certain option agreements, for providing options to certain promoter shareholders to acquire equity shares of FSL from other promoter shareholders, and a shareholders’ agreement for setting out their *inter se* rights and obligations. These agreements are collectively referred to as the “**FSL Agreements**”.
- 2.1.12 The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
- 2.1.13 The object and purpose of the Underlying Transaction is to re-align the inter se shareholding between the existing promoter groups in the Target Company pursuant to which the Sellers propose to sell their entire shareholding in the Target Company to the other existing promoters. The Offer is being made in terms of Regulation 3(2) and Regulation 4 of the SEBI (SAST) Regulations pursuant to the Underlying Transaction. Pursuant to completion of the acquisition of the Underlying Transaction, the Sellers will cease to exercise control over the Target Company and Fairfax Group and the Adi Group shall exercise control over the Target Company. Following the completion of the Offer, the Acquirer intends to continue to work with the management and employees of the Target Company to accelerate the Target Company’s growth.

2.1.14 Subsequent to the completion of the Offer, the Acquirer and the PACs reserve the right to streamline/ restructure the operations, assets, liabilities and / or businesses of the Target Company through arrangement/ reconstruction, restructuring, buybacks, merger, demerger/ delisting of the Equity Shares of the Target Company from the Stock Exchanges and/ or sale of assets or undertakings, at a later date. The Acquirer and /or the PACs may also consider disposal of or otherwise encumbering any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/ or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

2.2 Details of the Offer

2.2.1 The Public Announcement in connection with the Offer was made by the Manager to the Offer on behalf of the Acquirer to the Stock Exchanges on December 24, 2020, submitted to SEBI on December 24, 2020 and sent to the Target Company on December 24, 2020.

2.2.2 The DPS in connection with the Offer was published on behalf of the Acquirer on December 31, 2020 in the following newspapers: all editions of Financial Express (English), all editions of Jansatta (Hindi), and the Mumbai edition of Navshakti (Marathi). The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on December 31, 2020. The DPS is available on the SEBI website (www.sebi.gov.in).

2.2.3 This Offer is being made under Regulations 3(2) and 4 of the SEBI (SAST) Regulations to the Public Shareholders of the Target Company.

2.2.4 Under the Offer, the Acquirer proposes to acquire up to 33,77,953 (Thirty Three Lakhs Seventy Seven Thousand Nine Hundred and Fifty Three) Equity Shares representing 25.94% (Twenty Five Point Nine Four Percent)* of the Voting Share Capital from the Public Shareholders at a per Equity Share price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) payable in cash.

(*As per SEBI (SAST) Regulations, the Open Offer under Regulation 3 and 4 shall be for at least 26% of the total share capital of a target company, as of 10th working day from the closure of the tendering period. However, as on date, the public shareholding of the Target Company is 25.94 % of the total outstanding share capital, and therefore, the Offer Shares represent 25.94% of the Voting Share Capital (defined below) of the Target Company)

2.2.5 The Offer Price has been arrived at in accordance with Regulation 8 of the SEBI (SAST) Regulations.

2.2.6 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.

2.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.

2.2.8 As of the date of this DLoF, the Voting Share Capital of the Target Company is as follows:

Particulars	Number of Shares
Fully paid up Equity Shares	13,020,902
Partly paid up Equity Shares	Nil
Employee Stock Options (“ESOPs”)	Nil
Expanded Voting Share Capital	13,020,902

- 2.2.9 As on the date of this Draft Letter of Offer, there are no (i) partly paid-up Equity Shares; or (ii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company.
- 2.2.10 There is no differential pricing for this Offer.
- 2.2.11 The Acquirer has not acquired any Equity Shares from the date of the Public Announcement to the date of this Draft Letter of Offer. The Acquirer shall disclose during the Offer Period any acquisitions made by the Acquirer of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI (SAST) Regulations.
- 2.2.12 There has been no competing offer as of the date of this Draft Letter of Offer.
- 2.2.13 The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 2.2.14 Currently, the Acquirer and the PACs do not have any intention to dispose-off or otherwise encumber any assets or investments of the Target Company, through sale, lease, encumbrance, reconstruction, restructuring or otherwise, other than (a) in the ordinary course of business, or (b) as already agreed, disclosed and/or publicly announced by the Target Company, or (c) on account of regulatory approvals or conditions, or compliance with any law that is or becomes binding on or applicable to the operations of the Target Company. If the Acquirer intends to alienate any material asset of the Target Company within a period of 2 (two) years from the date of completion of this Open Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.
- 2.2.15 As on the date of this DLoF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory approvals required by the Acquirer / PACs to complete this Open Offer. However, in case any statutory approvals are required by the Acquirer / PACs at a later date before closure of the tendering period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which this DLoF has been published and such public announcement will also be sent to BSE, NSE, SEBI and the Target Company at its registered office. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 2.2.16 As per Regulation 38 of the SEBI (LODR) Regulations (*defined above*) read with Rule 19A of the SCRR (*as defined above*), the Target Company is required to maintain at least 25% (Twenty Five Percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transaction (*defined above*), in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, as amended, and the SEBI (LODR) Regulations (“**MPS Requirement**”), the Acquirer undertakes to take necessary steps (or cause the other promoters of the Target Company to take necessary steps) to bring down the non-public shareholding in the Target Company, to the level specified within the time prescribed in, and in accordance with the SCRR, SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations. i.e. to bring down the non-public shareholding to 75% (Seventy Five Percent) within 12 (twelve) months from the date of such fall in the public shareholding to

below 25% (Twenty Five Percent), through permitted routes and any other such routes as may be approved by SEBI from time to time.

2.2.17 The Manager does not hold any Equity Shares in the Target Company as on the date of this DLoF. The Manager to the Offer shall not deal, on their own account, in the Equity Shares of the Target Company during the Offer Period.

2.3 **Objects of the Acquisition / Offer**

2.3.1 The Offer is being made to the Public Shareholders in accordance with regulations 3(2) and 4 of the SEBI (SAST) Regulations pursuant to the substantial acquisition of shares, of the Target Company by the Acquirer in accordance with and subject to the terms of the Underlying Transaction.

2.3.2 Currently, the Acquirer does not have any intention to dispose-off or otherwise encumber any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, and encumbrance, reconstruction, restructuring or otherwise, other than in the ordinary course of business. If the Acquirer intends to alienate any material asset of the Target Company or any of its subsidiaries within a period of 2 (two) years from the date of completion of the Offer, a special resolution of the shareholders of the Target Company or any of its subsidiaries, as applicable, in accordance with the proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.

2.4 The Acquirer has not formulated any proposal as on the date of this Draft Letter of Offer which may have an adverse material impact on the employees of the Target Company and the locations of its places of business.

2.5 The current and proposed shareholding of the Acquirer and the PACs in the Target Company and the details of their acquisition are as follows:

Details	Acquirer		PAC 1		PAC 2		PAC 3		PAC 4		PAC 5	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Shareholding as on the PA date.	63,47,609	48.75%	1,083	0.01%	Nil	Nil	8,333	0.06%	1,12,327	0.86%	2,21,006	1.70%
Shares acquired between the PA date and the date of DLoF.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Post Offer shareholding calculated on the Voting Share Capital (assuming full acceptance in the Open Offer)	1,20,56,319	92.59%	1,083	0.01%	Nil	Nil	8,333	0.06%	3,21,874	2.47%	6,33,293	4.86%

3. **BACKGROUND OF THE ACQUIRER**

3.1 The Acquirer is FIH Mauritius Investments Ltd, a private company limited by shares incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the (Mauritius) Companies Act, 2001 and subsequent amendments and re-enactments thereto. The Acquirer holds a Category 1 Global Business License issued by the Financial Services Commission, Mauritius (“FSC”).

3.2 The Acquirer was established for the purpose of making investments in India and has been registered as an investment holding company with the FSC.

3.3 The Acquirer was incorporated as FIH Mauritius Investments Ltd. There has been no change in the name of the Acquirer since its incorporation.

3.4 The registered office of the Acquirer is located at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius. (Tel: +230 464 3040, Fax: +230 468 1930, Email: info@fihmauritius.com).

- 3.5 The Acquirer belongs to the Fairfax group and is a wholly-owned subsidiary of Fairfax India Holdings Corporation (“**FIHC**”). FIHC is listed on the Toronto Stock Exchange. FIHC was incorporated under the Canada Business Corporations Act on November 25, 2014 with its registered office located in Canada. FIHC was established with a view to achieve long-term capital appreciation by investing in public and private equity securities and debt instruments in India and Indian businesses or other businesses with customers, suppliers or business primarily conducted in, or dependent on, India. Fairfax Financial Holdings Limited (“**FFHL**”) through its various insurance and reinsurance subsidiaries holds multiple voting shares of FIHC which collectively represents 93.3% voting rights of FIHC and 27.9% of the equity interest of FIHC. FFHL is listed on the Toronto Stock Exchange.
- 3.6 PAC 1, i.e. FIH Private Investments Ltd is a wholly owned subsidiary of the Acquirer. Each of the PACs is classified as a promoter of the Target Company along with the Acquirer.
- 3.7 The issued and paid up capital of the Acquirer is USD 22,005,965 (United States Dollars Twenty Two Million Five Thousand Nine Hundred and Sixty Five only) comprising 22,005,965 shares of face value USD 1 (United States Dollar One only) each.
- 3.8 The shares of the Acquirer are not listed on any stock exchange in India or abroad.
- 3.9 The details of the board of directors of the Acquirer are provided below:

Details	Qualification and experience
<p>Name: Chandran Ratnaswami DIN: 00109215 Date of appointment: November 17, 2014.</p>	<p>Mr. Chandran Ratnaswami is the Chief Executive Officer and Director of Fairfax India Holdings Corporation, a company listed on the Toronto Stock Exchange and is also a Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Hamblin Watsa provides discretionary investment management to all the insurance and reinsurance subsidiaries of Fairfax and currently manages approximately \$ 40 Billion of assets. Mr. Ratnaswami joined the Portfolio Advisor in 1993 as director of International Investments.</p> <p>Mr. Ratnaswami serves on the Boards of, among others, Quess Corp Limited, Bangalore International Airport Limited, National Collateral Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance, Thailand, and Fairfirst Insurance Limited, Sri Lanka. Mr. Ratnaswami holds a Bachelor’s degree in Civil Engineering from IIT Madras, India and an MBA from the Rotman School of Management, University of Toronto, Canada.</p>
<p>Name: Amy Tan Sze Ping Date of appointment: November 12, 2014 DIN: N.A</p>	<p>Ms. Tan is the Chief Executive Officer and director of FIH Mauritius and director of FIH Private. Ms. Tan joined Fairfax group in January 2013 as Chief Financial Officer of HWIC Asia Fund. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities. Ms. Tan is a Fellow of the Association of Chartered Certified Accountants and graduated with a Bachelor’ of Accountancy degree from the Nanyang Technological University of Singapore.</p>

Details	Qualification and experience
<p>Name: Gopalakrishnan Soundarajan DIN: 05242795 Date of appointment: January 28, 2015</p>	<p>Mr. Soundarajan is a Managing Director at Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Prior to this, Mr. Soundarajan was the Chief Investment Officer of ICICI Lombard General Insurance Company Limited, the largest private sector property and casualty insurance company in India. Mr. Soundarajan held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee.</p> <p>Mr. Soundarajan serves on the Board and on the board of directors of Primary Real Estate Investment Fund and a number of Fairfax companies including Bangalore International Airport Limited, Anchorage Infrastructure Investment Holdings Limited and IIFL Wealth Management Limited. Mr. Soundarajan holds a Bachelor of Commerce degree from the University of Madras. He is a Chartered Accountant, member of the Institute of Chartered Accountants of India and also a Chartered Financial Analyst, and member of the CFA Institute in the United States of America.</p>
<p>Name: Akshar Maherally Date of appointment: 3 February 2017 DIN: N.A</p>	<p>Mr. Maherally is the Managing Director of WTS Tax Consulting (Mauritius) Ltd, a tax, structuring and regulatory consulting practice within the WTS Global international tax network. He is a Fellow of the Association of Chartered Certified Accountants in the United Kingdom (FCCA) and an Associate of the Institute of Chartered Accountants in England and Wales (ACA). Mr. Maherally also holds a First Class BSc(Hons) Economics degree and an MBA with specialisation in Finance. Prior to joining WTS Tax Consulting (Mauritius) Ltd, Mr. Maherally acquired some twenty years of experience at International Financial Services Ltd (IFS) / Sanne Mauritius, one of the leading Fund and Corporate Service Providers in Mauritius. He is a seasoned tax specialist and has a strong record for advising on tax planning and corporate structuring matters. Mr. Maherally speaks at various international conferences, workshops and seminars on corporate structuring and tax planning from a Mauritius domiciliation perspective. He is also actively involved at industry level to contribute on issues affecting the jurisdiction.</p>
<p>Name: Sangeeta Bissessur Date of appointment: 28 May 2018 DIN: N.A</p>	<p>Ms. Bissessur is a Senior Manager at SANNE Mauritius and has been with the firm for over 18 years. She has secured in-depth knowledge of the financial services sector, with extensive practical know-how in the operating, regulatory and compliance aspects for global business entities. She services a portfolio of over 110 financial and non-financial services entities, including collective investment schemes, closed-end funds and investment holding companies. Ms. Bissessur is also involved in company structuring and set-ups and has been exposed to the main areas of the industry including legal, tax, accounting, administration, due diligence, compliance and corporate secretarial fields. Ms. Bissessur also sits on the boards of directors of a number of global business companies. Ms. Bissessur is a Fellow of the Association of Chartered Certified Accountants, UK and graduated with a BSc (Hons) in Economics at the University of Mauritius.</p>

3.10 The Acquirer currently holds 63,47,609 (Sixty Three Lakhs Forty Seven Thousand Six Hundred and Nine) Equity Shares representing 48.75% (Forty Eight Point Seven Five Percent) of the Voting Share Capital of the Target Company. The Acquirer is classified as a promoter and is in control of the Target Company. Mr. Sumit Maheshwari has been appointed as nominee director of the Acquirer and PAC 1 in the Target Company.

3.11 The Acquirer confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.

3.12 The financial information of the Acquirer based on the audited financial statements for the financial years ended 2017, 2018 and 2019, and the unaudited limited review financials for the period from January 1, 2020 to June 30, 2020 are as follows:

(INR in millions)

Particulars	Audited Financials for the Year ended 31 December 2017	Audited Financials for the Year ended 31 December 2018	Audited Financials for the Year ended 31 December 2019	Limited Reviewed Financials for the period from 01 January 2020 to 30 June 2020
Statement of Profit and Loss				
Income from operations	38,118.81	12,800.25	49,279.80	(13,936.40)
Other Income	(439.86)	(64.27)	(10.80)	7.38
Total Income	37,678.95	12,735.98	49,269.00	(13,929.02)
Total Expenditure (Excluding Depreciation, Interest and Tax)	(6,569.61)	(1,804.14)	(4,805.91)	1,906.65
Profit Before Depreciation Interest and Tax	31,109.34	10,931.84	44,463.09	(12,022.37)
Interest (finance cost)	-	-	-	-
Depreciation and amortization Expenses	(1.40)	(1.43)	(1.78)	(0.63)
Profit / (loss) before tax	31,107.94	10,930.42	44,461.32	(12,023.00)
Provision for tax	-	(2.95)	(4,331.40)	435.97
Profit / (loss) after tax	31,107.94	10,927.47	40,129.92	(11,587.03)
Sources of Funds				
Paid up Share Capital	1,366.76	1,366.76	1,366.76	1,366.76
Reserves and Surplus* (Excl. Revaluation Reserves)	1,57,189.26	1,82,262.47	2,20,005.73	2,03,702.29
Net-worth	1,58,556.01	1,83,629.22	2,21,372.49	2,05,069.04
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Non-Current Liabilities	-	2.95	4,334.35	3,898.38
Total	1,58,556.01	1,83,632.17	2,25,706.84	2,08,967.42
Uses of funds				
Net fixed assets	3.09	1.81	0.70	0.07
Investments	1,65,189.28	1,86,013.96	2,28,657.05	2,09,249.37
Other Non-Current Assets	-	-	-	-
Net current (liabilities)/assets	(6,636.36)	(2,383.60)	(2,950.91)	(282.01)
Total miscellaneous expenditure not written off	-	-	-	-
Total	1,58,556.01	1,83,632.17	2,25,706.84	2,08,967.42
Other Financial Data				

Particulars	Audited Financials for the Year ended 31 December 2017	Audited Financials for the Year ended 31 December 2018	Audited Financials for the Year ended 31 December 2019	Limited Reviewed Financials for the period from 01 January 2020 to 30 June 2020
Dividend (%)	0%	0%	266%	345%
Basic Earnings Per Share	1,414	497	1,824	(527)
Diluted Earnings Per Share	1,414	497	1,824	(527)

* Included in the Reserves and surplus is capital contributions received from the shareholder.

3.13 There are no major contingent liabilities of the Acquirer.

3.14 Other details of the Acquirer:

3.14.1 The Acquirer has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

3.14.2 Neither the Acquirer nor its directors or key managerial employees (if any) are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.

3.14.3 Neither the Acquirer nor its directors or key managerial employees (if any) are categorized / declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.

4. PAC 1

4.1 PAC 1 is FIH Private Investments Ltd, a private company limited by shares, incorporated on November 12, 2014 under the laws of Republic of Mauritius, pursuant to the (Mauritius) Companies Act, 2001 and subsequent amendments and re-enactment thereto. PAC 1 holds a Category 1 Global Business License issued by the FSC.

4.2 PAC 1 is engaged in making investments in India, in accordance with applicable law, and is registered with SEBI as a Foreign Portfolio Investor (“FPI”) bearing registration number INMUF041315. PAC 1 was set up as an investment holding company for making investments in securities listed on recognized stock exchanges and for making investments in debt securities in India subject to its investment criteria.

4.3 PAC 1 was incorporated as FIH Private Investments Ltd. There has been no change in the name of the PAC 1 since incorporation.

4.4 The issued and paid up capital of PAC 1 is USD 1,005,966 (United States Dollars One Million Five Thousand Nine Hundred and Sixty Six only) comprising 1,005,966 (Ten Lakh Five Thousand Nine Hundred and Sixty Six) shares of face value USD 1 (United States Dollar One only) each.

4.5 The shares of PAC 1 are not listed on any stock exchange in India or abroad.

4.6 The details of the board of directors of PAC 1 are provided below:

Details	Qualification and experience
<p>Name: Chandran Ratnaswami DIN: 00109215 Date of appointment: November 17, 2014</p>	<p>Mr. Chandran Ratnaswami is the Chief Executive Officer and Director of Fairfax India Holdings Corporation, a company listed on the Toronto Stock Exchange and is also a Managing Director of Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Hamblin Watsa provides discretionary investment management to all the insurance and reinsurance subsidiaries of Fairfax and currently manages approximately \$ 40 Billion of assets. Mr. Ratnaswami joined the Portfolio Advisor in 1993 as director of International Investments.</p> <p>Mr. Ratnaswami serves on the Boards of, among others, Qess Corp Limited, Bangalore International Airport Limited, National Collateral Management Services Limited, Go Digit General Insurance Limited, Thomas Cook (India) Limited, Fairbridge Capital Private Limited in India, Zoomer Media, Fairfax India Holdings Corporation in Canada, Thai Reinsurance, Thailand, and Fairfirst Insurance Limited, Sri Lanka. Mr. Ratnaswami holds a Bachelor's degree in Civil Engineering from IIT Madras, India and an MBA from the Rotman School of Management, University of Toronto, Canada.</p>
<p>Name: Amy Tan Sze Ping Date of appointment: November 12, 2014 DIN: N.A</p>	<p>Ms. Tan is the Chief Executive Officer and director of FIH Mauritius and director of FIH Private. Ms. Tan joined Fairfax group in January 2013 as Chief Financial Officer of HWIC Asia Fund. Prior to that, Ms. Tan worked with PricewaterhouseCoopers Mauritius as a Senior Manager in the assurance and business advisory division. She was involved in various audit, compliance and advisory assignments of local conglomerates and global business entities. Ms. Tan is a Fellow of the Association of Chartered Certified Accountants and graduated with a Bachelor' of Accountancy degree from the Nanyang Technological University of Singapore.</p>
<p>Name: Gopalakrishnan Soundarajan DIN: 05242795 Date of appointment: January 28, 2015</p>	<p>Mr. Soundarajan is a Managing Director at Hamblin Watsa Investment Counsel Limited, a wholly owned investment management company of Fairfax Financial Holdings Limited. Prior to this, Mr. Soundarajan was the Chief Investment Officer of ICICI Lombard General Insurance Company Limited, the largest private sector property and casualty insurance company in India. Mr. Soundarajan held the position of head of investments at ICICI Lombard from 2001 to 2018 and was a member of the investment committee.</p> <p>Mr. Soundarajan serves on the Board and on the board of directors of Primary Real Estate Investment Fund and a number of Fairfax companies including Bangalore International Airport Limited, Anchorage Infrastructure Investment Holdings Limited and IIFL Wealth Management Limited. Mr. Soundarajan holds a Bachelor of Commerce degree from the University of Madras. He is a Chartered Accountant, member of the Institute of Chartered Accountants of India and also a Chartered Financial Analyst, and member of the CFA Institute in the United States of America.</p>
<p>Name: Akshar Maherally Date of appointment: 3 February 2017 DIN: N.A</p>	<p>Mr. Maherally is the Managing Director of WTS Tax Consulting (Mauritius) Ltd, a tax, structuring and regulatory consulting practice within the WTS Global international tax network. He is a Fellow of the Association of Chartered Certified Accountants in the United Kingdom (FCCA) and an Associate of the Institute of Chartered Accountants in England and Wales (ACA). Mr. Maherally also holds a First Class BSc(Hons) Economics degree and an MBA with specialisation in Finance. Prior to joining WTS Tax Consulting (Mauritius) Ltd, Mr. Maherally acquired some twenty years of experience at International Financial Services Ltd (IFS)/Sanne Mauritius, one of the leading Fund and Corporate Service Providers in Mauritius. He is a seasoned tax specialist and has a strong record for advising on tax planning and corporate structuring matters. Mr. Maherally speaks at various international conferences, workshops and</p>

Details	Qualification and experience
	seminars on corporate structuring and tax planning from a Mauritius domiciliation perspective. He is also actively involved at industry level to contribute on issues affecting the jurisdiction.
Name: Sangeeta Bissessur Date of appointment: 28 May 2018 DIN: N.A	Ms. Bissessur is a Senior Manager at SANNE Mauritius and has been with the firm for over 18 years. She has secured in-depth knowledge of the financial services sector, with extensive practical know-how in the operating, regulatory and compliance aspects for global business entities. She services a portfolio of over 110 financial and non-financial services entities, including collective investment schemes, closed-end funds and investment holding companies. Ms. Bissessur is also involved in company structuring and set-ups and has been exposed to the main areas of the industry including legal, tax, accounting, administration, due diligence, compliance and corporate secretarial fields. Ms. Bissessur also sits on the boards of directors of a number of global business companies. Ms. Bissessur is a Fellow of the Association of Chartered Certified Accountants, UK and graduated with a BSc (Hons) in Economics at the University of Mauritius.

- 4.7 The registered office of PAC 1 is located at Level 1, Maeva Tower, Silicon Avenue, Cybercity, Ebene, 72201, Mauritius, (Tel: +230 464 3040, Fax: +230 468 1930, Email: info@fihmauritius.com)
- 4.8 The Acquirer holds 100% (One Hundred Percent) of the total equity share capital of PAC 1. The Acquirer and PAC 1 belong to the Fairfax group.
- 4.9 The PAC 1 currently holds 1,083 (One Thousand Eighty Three) equity shares representing 0.01% (Point Zero One Percent) of the Voting Share Capital of the Target Company and is classified as a promoter of the Target Company. Mr. Sumit Maheshwari has been appointed as nominee director of the Acquirer and PAC 1 in the Target Company.
- 4.10 PAC 1 confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.
- 4.11 The financial information of PAC 1 based on the audited financial statements for the financial years ended 2017, 2018 and 2019, and the unaudited limited review financials for the period from January 1, 2020 to June 30, 2020 are as follows:

(INR in millions)

Particulars	Audited Financials for the Year ended 31 December 2017	Audited Financials for the Year ended 31 December 2018	Audited Financials for the Year ended 31 December 2019	Limited Reviewed Financials for the period from 01 January 2020 to 30 June 2020
Statement of Profit and Loss				
Income from operations	1,262.64	7,658.59	6,229.16	(1,516.24)
Other Income	39.57	8.37	(12.53)	(19.95)
Total Income	1,302.20	7,666.96	6,216.62	(1,536.19)
Total Expenditure (Excluding Depreciation, Interest and Tax)	(2,484.75)	(656.38)	(683.49)	177.01
Profit Before Depreciation Interest and Tax	(1,182.55)	7,010.58	5,533.13	(1,359.18)
Interest (finance cost)	-	-	-	-
Depreciation and amortization	-	-	-	-

Particulars	Audited Financials for the Year ended 31 December 2017	Audited Financials for the Year ended 31 December 2018	Audited Financials for the Year ended 31 December 2019	Limited Reviewed Financials for the period from 01 January 2020 to 30 June 2020
expenses				
Profit / (loss) before tax	(1,182.55)	7,010.57	5,533.13	(1,359.18)
Provision for tax	(30.45)	(215.72)	(1,038.94)	159.36
Profit / (loss) after tax	(1,213.00)	6,794.85	4,494.19	(1,199.82)
Sources of Funds				
Paid up Share Capital	62.31	62.31	62.31	62.31
Reserves and Surplus* (Excl. Revaluation Reserves)	42,963.20	47,244.99	17,905.74	11,793.35
Net-worth	43,025.51	47,307.30	17,968.05	11,855.66
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Non-Current Liabilities	-	45.18	267.91	78.67
Total	43,025.51	47,352.48	18,235.96	11,934.33
Uses of funds				
Net fixed assets	-	-	-	-
Investments	44,313.99	47,096.02	15,706.95	11,793.04
Other Non-Current Assets	-	-	-	-
Net current (liabilities)/assets	(1,288.48)	256.45	2,529.02	141.30
Total miscellaneous expenditure not written off	-	-	-	-
Total	43,025.51	47,352.48	18,235.96	11,934.33
Other Financial Data				
Dividend (%)	0%	0%	6,683%	6,780%
Basic Earnings Per Share	(1,206)	6,755	4,468	(1,193)
Diluted Earnings Per Share	(1,206)	6,755	4,468	(1,193)

* Included in the Reserves and surplus is capital contributions received from the shareholder.

4.12 There are no major contingent liabilities of PAC 1.

4.13 Other details of PAC 1:

4.13.1 PAC 1 has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.13.2 Neither the PAC 1 nor its directors or key managerial employees (if any) are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.

4.13.3 Neither the PAC 1 nor its directors or key managerial employees (if any) are categorized / declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.

5. Details of PAC 2:

- 5.1 PAC 2 is Mr. Nahoosh J. Jariwala, a resident individual permanently residing at 'Jariwala', Rajpath Club Rangoli Road, Beside Shashwat Bungalows, Bodakdev, Ahmedabad-380 059.
- 5.2 PAC 2 is classified as a promoter of the Target Company along with the Acquirer and other PACs.
- 5.3 PAC 2 is the Managing Director of the Target Company.
- 5.4 M/s Prahlad L Patel and Co, Chartered Accountants (FRN: 0108066W) have certified, that the net worth of PAC 2 as on June 30, 2020 is INR 1,78,24,139/- (Indian Rupees One Crore Seventy Eight Lakhs Twenty Four Thousand One Hundred and Thirty Nine only)
- 5.5 As on the date of this DLoF, PAC 2 does not hold any Equity Shares in the Target Company. However, PAC 2 is a designated partner in PAC 4 and PAC 5, which collectively hold 3,33,333 (Three Lakhs Thirty Three Thousand Three Hundred and Thirty Three) Equity Shares representing 2.56 % (Two Point Five Six Percent) of the Voting Share Capital of the Target Company. PAC 2 belongs to the Adi Group.
- 5.6 PAC 2 has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 5.7 PAC 2 is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and is in compliance with Regulation 6A of the SEBI (SAST) Regulations.
- 5.8 PAC 2 is not categorized / declared as a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and is in compliance with Regulation 6B of the SEBI (SAST) Regulations.
- 5.9 PAC 2 confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.

6. Details of the PAC 3:

- 6.1 PAC 3 is Mr. Utkarsh B. Shah, a resident individual permanently residing at Anantam Bungalow, Rajpath Rangoli 100 Ft Road, Near Shashwat Bungalow, Bodakdev, Ahmedabad-380054.
- 6.2 PAC 3 is the Chairman & Non- Executive Director of the Target Company. PAC 3 is also engaged in the business of real estate and coal trading.
- 6.3 PAC 3 is classified as a promoter of the Target Company along with the Acquirer and other PACs.
- 6.4 PAC 3 holds 8,333 (Eight Thousand Three Hundred and Thirty Three) Equity Shares, representing 0.06% (Point Zero Six Percent) of the Voting Share Capital of the Target Company. PAC 3 belongs to the Adi Group.
- 6.5 M/s Jhaveri Shah & Co, Chartered Accountants (FRN: 127390W) have certified, that the net worth of PAC 3 as on June 30, 2020 is INR 141,51,02,126/- (Rupees One Hundred Forty One Crores Fifty One Lakhs Two Thousand One Hundred and Twenty Six only).
- 6.6 PAC 3 has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B

of the SEBI Act or any other regulations made under the SEBI Act.

- 6.7 PAC 3 is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and is in compliance with Regulation 6A of the SEBI (SAST) Regulations.
- 6.8 PAC 3 is not categorized / declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and is in compliance with Regulation 6B of the SEBI (SAST) Regulations.
- 6.9 PAC 3 confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.

7. Details of PAC 4:

- 7.1 PAC 4 is Jariwala Tradelink LLP, a limited liability partnership incorporated under the provisions of Limited Liability Partnership Act, 2008 on December 7, 2015. The LLP was originally incorporated as private limited company under the Companies Act, 1956 under the name of name UKM Investment Private Limited. The name was changed to 'Jariwala Tradelink Private Limited' on December 3, 2015. Subsequently, the company was converted into an LLP with the name of Jariwala Tradelink LLP on December 7, 2015.
- 7.2 PAC 4 has its registered office at Jariwala, Beside Shashwat Bungalows, Rajpath Club, Rangoli Road, Bodakdev Ahmedabad 380059.
- 7.3 PAC 4 has been incorporated to carry out the business of dealing in or trading in various products.
- 7.4 PAC 4 belongs to the Adi Group and each Partner of PAC 4 has 1 (one) vote as per the provisions of the limited liability partnership agreement and no individual partner exercises single control over PAC 4.
- 7.5 PAC 4 is classified as a promoter of the Target Company along with the Acquirer and other PACs.
- 7.6 The details of capital contributions of the partners of PAC 4 are set out below:

Partner	Capital Contribution (INR)	Percentage
Nahoosh J Jariwala	1,499,000	59.96%
Sandhya N Jariwala	1,000,000	40.00%
Vaishnavi N Jariwala	1,000	0.04%
Total	2,500,000	100.00%

7.7 The details of Partners of PAC 4 are given below:

Partners	DIN	Designation	Appointed Date	Qualifications and Experience
Nahoosh J. Jariwala	00012412	Designated Partner	December 09, 2015	Mr. Nahoosh J. Jariwala holds a Bachelors degree in Commerce from Gujarat University and work experience of more than 25 years in the Chemical industry.
Sandhya N Jariwala	00461695	Designated Partner	December 09, 2015	Ms. Sandhya N Jariwala holds a Bachelors degree in Arts from Gujarat University.
Vaishnavi N Jariwala	03112243	Designated Partner	December 09, 2015	Ms. Vaishnavi N Jariwala holds a Bachelors degree in Fashion designing from the National Institute of Fashion Technology, and a Masters degree in Art Curating from Christies -London. Further, she is Involved in designing and manufacturing of custom made jewellery.

7.8 PAC 4 currently holds 1,12,327 (One Lakh Twelve Thousand Three Hundred and Twenty Seven) Equity Shares, representing 0.86% (Point Eight Six Percent) of the Voting Share Capital of the Target Company.

7.9 PAC 4 has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

7.10 Neither the PAC 4 nor its partners or key managerial employees (if any) are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.

7.11 Neither the PAC 4 nor its partners or key managerial employees (if any) are categorized / declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.

7.12 PAC 4 confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.

7.13 The key financial information of PAC 4 based on the audited financial statements, for the financial years ended 2018, 2019 and 2020, and the unaudited certified financials for the period from April 1, 2020 to June 30, 2020 are as follows:

(INR in millions)

Particulars	Audited Financials for the Year ended 31 March 2018	Audited Financials for the Year ended 31 March 2019	Audited Financials for the Year ended 31 March 2020	Certified Financials for the period from 01 April 2020 to 30 June 2020
Statement of Profit and Loss				
Income from operations	-	-	-	-
Other Income	5.44	4.03	5.00	0.44

Particulars	Audited Financials for the Year ended 31 March 2018	Audited Financials for the Year ended 31 March 2019	Audited Financials for the Year ended 31 March 2020	Certified Financials for the period from 01 April 2020 to 30 June 2020
Total Income	5.44	4.03	5.00	0.44
Total Expenditure (Excluding Depreciation, Interest and Tax)	0.53	0.87	0.45	0.12
Profit Before Depreciation Interest and Tax	4.91	3.16	4.55	0.32
Interest (finance cost)	-	-	-	-
Depreciation and amortization expenses	0.10	0.74	0.63	-
Profit / (loss) before tax	4.81	2.42	3.92	0.32
Provision for tax	-	-	-	-
Profit / (loss) after tax	4.81	2.42	3.92	0.32
Sources of Funds				
Paid up Share Capital	2.50	2.50	2.50	2.50
Reserves and Surplus (Excl. Revaluation Reserves)	81.45	83.83	87.30	87.62
Net-worth	83.95	86.33	89.80	90.12
Secured loans	-	-	-	-
Unsecured loans	-	-	-	-
Non-Current Liabilities	-	-	-	-
Total	83.95	86.33	89.80	90.12
Uses of funds				
Net fixed assets	0.54	4.18	3.56	3.58
Investments	83.08	60.09	38.65	38.70
Other Non-Current Assets	-	-	-	-
Net current (liabilities)/assets	0.33	22.06	47.59	47.84
Total miscellaneous expenditure not written off	-	-	-	-
Total	83.95	86.33	89.80	90.12
Other Financial Data				
Dividend (%)	NA	NA	NA	NA
Basic Earnings Per Share	NA	NA	NA	NA
Diluted Earnings Per Share	NA	NA	NA	NA

7.14 There are no major contingent liabilities for PAC 4.

8. Details of the PAC 5:

8.1 PAC 5 is Nahoosh Tradelink LLP, a limited liability partnership incorporated under the laws of India on April 1, 2016. The LLP was originally incorporated as private limited company under the Companies Act, 1956 under the name of 'PCD Investment Private Limited'. Further, the name was changed to 'Nahoosh Tradelink Private Limited' on March 10, 2016. Subsequently, the company was converted into an LLP under the name of 'Nahoosh Tradelink LLP' on April 1, 2016.

8.2 PAC 5 has its registered office at Jariwala, Beside Shaswat Bungalow, Rajpath Club, Rangoli Road, Bodakdev Ahmedabad 380059.

8.3 PAC 5 has been incorporated to carry out the business of dealing in or trading in various products.

8.4 PAC 5 belongs to the Adi Group and each Partner of PAC 5 has 1 (one) vote as per the provisions of the limited liability partnership agreement and no individual partner exercises single control over PAC 5.

8.5 PAC 5 is classified as a promoter of the Target Company along with the Acquirer and other PACs.

8.6 The details of capital contributions of the partners of PAC 5 is set out below:

Partner	Capital Contribution (INR)	Percentage
Nahoosh J Jariwala	1,499,000	59.96%
Sandhya N Jariwala	1,000,000	40.00%
Priyanshi N Jariwala	1,000	0.04%
Total	2,500,000	100.00%

8.7 PAC 5 currently holds 2,21,006 (Two Lakh Twenty One Thousand and Six) Equity Shares, representing 1.70% (One Point Seven Percent) of the Voting Share Capital of the Target Company.

8.8 The details of Partners of PAC 5 are given below:

Partners	DIN	Designation	Appointed Date	Qualification and Experience
Nahoosh J. Jariwala	00012412	Designated Partner	April 2, 2016	Mr. Nahoosh J. Jariwala holds a Bachelors degree in Commerce from Gujarat University and work experience of more than 25 years in the Chemical industry.
Sandhya N Jariwala	00461695	Designated Partner	April 2, 2016	Ms. Sandhya N Jariwala holds a Bachelors degree in Arts from Gujarat University.
Priyanshi N Jariwala	03112206	Designated Partner	April 2, 2016	Mr. Priyanshi N Jariwala holds a Bachelors degree in Commerce from Gujarat University, Further, she has experience in dealing with food products under Zorro-Olio Brand.

- 8.9 PAC 5 has not been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.
- 8.10 Neither the PAC 5 nor its partners or key managerial employees (if any) are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.
- 8.11 Neither the PAC 5 nor its partners or key managerial employees (if any) are categorized / declared as a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.
- 8.12 PAC 5 confirms that it has duly complied with the requisite disclosure requirements under Chapter V of SEBI (SAST) Regulations in relation to the Target Company.
- 8.13 The key financial information of PAC 5 based on the audited financial statements, for the financial years ended 2018, 2019 and 2020, and the unaudited certified financials for the period from April 1, 2020 to June 30, 2020 are as follows:

(INR in millions)

Particulars	Audited Financials for the Year ended 31 March 2018	Audited Financials for the Year ended 31 March 2019	Audited Financials for the Year ended 31 March 2020	Certified Financials for the period from 01 April 2020 to 30 June 2020
Statement of Profit and Loss				
Income from operations	-	-	-	-
Other Income	0.68	1.02	1.68	8.34
Total Income	0.68	1.02	1.68	8.34
Total Expenditure (Excluding Depreciation, Interest and Tax)	0.29	0.41	0.47	0.23
Profit Before Depreciation Interest and Tax	0.39	0.61	1.21	8.11
Interest (finance cost)	-	-	-	-
Depreciation and amortization expenses	0.82	0.53	0.45	-
Profit / (loss) before tax	(0.43)	0.08	0.76	8.11
Provision for tax	-	-	-	-
Profit / (loss) after tax	(0.43)	0.08	0.76	8.11
Sources of Funds				
Paid up Share Capital	2.50	2.50	2.50	2.50
Reserves and Surplus	7.38	7.54		16.41

Particulars	Audited Financials for the Year ended 31 March 2018	Audited Financials for the Year ended 31 March 2019	Audited Financials for the Year ended 31 March 2020	Certified Financials for the period from 01 April 2020 to 30 June 2020
(Excl. Revaluation Reserves)			8.30	
Net-worth	9.88	10.04	10.80	18.91
Secured loans	-	-	-	-
Unsecured loans	27.32	26.50	25.00	25.30
Non-Current Liabilities	-	-	-	-
Total	37.20	36.54	35.80	44.21
Uses of funds				
Net fixed assets	3.51	2.98	2.53	2.56
Investments	33.00	33.00	33.00	41.32
Other Non-Current Assets	-	-	-	-
Net current (liabilities)/assets	0.69	0.56	0.27	0.33
Total miscellaneous expenditure not written off	-	-	-	-
Total	37.20	36.54	35.80	44.21
Other Financial Data				
Dividend (%)	NA	NA	NA	NA
Basic Earnings Per Share	NA	NA	NA	NA
Diluted Earnings Per Share	NA	NA	NA	NA

8.14 There are no major contingent liabilities of PAC 5.

9. Details of the Sellers

A. The details of the Sellers are set out below:

Name of Seller	Nature of Entity	Permanent Address/ Registered Office	Equity Shares held in the Target Company	Equity Shares as a % of the Voting Share Capital of the Target Company
Mr. Mahesh Babani	Individual	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	862,116	6.62%
Mahesh Purshottam Babani HUF	Hindu undivided family	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	597,240	4.59%

Name of Seller	Nature of Entity	Permanent Address/ Registered Office	Equity Shares held in the Target Company	Equity Shares as a % of the Voting Share Capital of the Target Company
Mrs. Seema Babani	Individual	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	130,000	1%
Ms. Snehal Babani	Individual	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	130,000	1%
Ms. Jyoti Babani	Individual	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	130,000	1%
Moneymart Securities Private Limited	Private limited company	7/8, Satguru House, Sherly Rajan Road, Bandra (West), Mumbai-400050	68,904	0.53%
Vivira Chemicals Private Limited	Private limited company	Privi House, A-71, TTC Thane Belapur Road, Near Kopar khairane Railway Station, Navi Mumbai Thane MH 400709 IN	26,586	0.20%
Mr. Doppalapudi Bhaktavatsala Rao	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	241,020	1.85%
Mr. D. Premaleela	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	59,058	0.45%
Mr. D. Vinaykumar	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	159,426	1.22%
Mr. D. Vijaykumar	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	151,668	1.16%
Ms. Grace Vinaykumar	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	49,950	0.38%
Ms. Sharon Doppalapudi	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	52,848	0.41%
Mr. D. Rajkumar	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	148,608	1.14%
Mrs. Prasanna Raj	Individual	903, Daffodil, Satguru Gardens, Thane (E) - 400603	61,758	0.47%
Mr. Guduru Ramesh	Individual	Privi Residential Colony, A-27, Mahad MIDC, Taluka Mahad, District Raigad, Maharashtra - 410302	20,103	0.15%
Vivira Investment and Trading Private Limited	Private limited company	903, Daffodil, Satguru Gardens, Thane (E) - 400603	63,306	0.49%
Total			2,952,591	22.68%

9.1 The Sellers are collectively known as the '**Privi Group**' and are classified as part of the 'promoter and promoter group' of the

Target Company

- 9.2 The share allotments to the Sellers were made pursuant to a Scheme (*defined above*) as detailed in paragraph 2.1.5 above.
- 9.3 The equity shares of the Sellers which are incorporated companies are not listed on any stock exchange in India or abroad.
- 9.4 The Sellers have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

10. BACKGROUND OF THE TARGET COMPANY:

- 10.1 The Target Company i.e. Fairchem Organics Limited was incorporated in India on March 27, 2019 under the Companies Act, 2013 and is engaged in the business of manufacturing, supplying and exporting of speciality oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils.
- 10.2 The registered office of the Target Company is situated at Plot A-71, TTC Industrial Estate, Nr. Thane Belapur Road, Kopar Khairane, Navi Mumbai 400709, Maharashtra, India (Tel: 94099 58550; Email ID: cs@fairchem.in; Contact person: Mr. Rajen Jhaveri; Website: www.fairchem.in). The corporate identification number of the Target Company is U24200MH2019PLC323176.
- 10.3 The Equity Shares of the Target Company are listed on BSE (Scrip Code: 543252) and NSE (Symbol: FAIRCHEMOR) (Source: BSE and NSE websites). The ISIN of the Target Company is INE0DNW01011.
- 10.4 The authorized share capital of the Target Company is INR 20,00,00,000 (Indian Rupees Twenty Crores only) comprising of 2,00,00,000 (Two Crore only) Equity Shares of INR 10 (Indian Rupees Ten only) each. The issued, subscribed and fully paid-up Equity Share Capital of the Target Company is INR 13,02,09,020 (Indian Rupees Thirteen Crores Two Lakh Nine Thousand and Twenty only) comprising of 1,30,20,902 (One Crore Thirty Lakhs Twenty Thousand Nine Hundred and Two) Equity Shares of INR 10 (Indian Rupees Ten only) each. The Target Company does not have partly paid-up Equity Shares.
- 10.5 The Equity Share Capital of the Target Company was listed on the Stock Exchanges on December 24, 2020. Therefore, since the Equity Shares of the Target Company was not listed and traded on the Stock Exchanges during the 12 (Twelve) calendar months preceding the calendar month in which the Public Announcement was made, the Equity Shares are not considered to be frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 10.6 The Target Company was incorporated on March 27, 2019 and the financial period for the first year is from March 27, 2019 until March 31, 2020 in accordance with Companies Act. The key financial information of the Target Company based on its audited financial statements, for the Financial Year ended March 31, 2020 and the unaudited limited review financials for the period from April 1, 2020 to June 30, 2020 are as follows:

(INR in millions)

Particulars	Audited Financials	Limited Reviewed Financials for the
	for the Year ended	period from
	31 March 2020	01 April 2020
		to 30 June 2020
Income from operations	3064.92	350.72
Other Income	65.89	0.22
Total Income	3130.81	350.94

Particulars	Audited Financials for the Year ended 31 March 2020	Limited Reviewed Financials for the period from 01 April 2020 to 30 June 2020
Total Expenditure (Excluding Depreciation, Interest and Tax)	2556.60	323.29
Profit Before Depreciation, Interest and Tax	574.21	27.65
Interest (finance cost)	65.79	15.07
Depreciation and amortization expenses	59.59	16.26
Profit / (loss) before tax	448.83	(3.68)
Provision for tax	83.34	(1.78)
Profit / (loss) after tax	365.49	(1.90)
Sources of Funds		
Paid up Share Capital	130.21	130.21
Reserves and Surplus (Excl. Revaluation Reserves)	1155.44	1152.54
Net-worth	1285.65	1282.75
Secured loans	163.32	184.05
Unsecured loans	--	--
Non-Current Liabilities	127.72	128.38
Total	1576.69	1595.18
Uses of funds		
Net fixed assets	1357.70	1349.34
Investments	--	--
Other Non-Current Assets	76.17	82.25
Net current (liabilities)/assets	142.82	163.59
Total miscellaneous expenditure not written off	--	--
Total	1576.69	1595.18
Earnings per share		
Basic	28.07	(0.15)
Diluted	28.07	(0.15)
Dividend %	15% ¹	NA
Return on net worth ²	28.43 %	NA
Book value per share	98.74	98.51

Notes:

^{1.} At the Board Meeting of Fairchem Speciality Ltd held on June 23, 2020 for adoption of audited annual financial statements of Fairchem Speciality Ltd, the Board had recommended dividend of 15 % (i.e. INR 1.50 (Indian Rupee One and Fifty Paise only) per share), subject to the approval of the shareholders. However, before the said approval, the NCLT order became effective and so entire dividend was paid by Privi Speciality Chemicals Ltd. (erstwhile Fairchem Speciality Ltd).

^{2.} Based on the Net Worth as on March 31, 2020 and June 30, 2020 respectively.

10.7 To the knowledge of the Acquirer / PACs and the Manager to the Offer based on information available on the website of Stock Exchanges: (a) there are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchanges; (b) the trading of the Equity Shares of the Target Company is currently not suspended on the Stock Exchanges; (c) the Equity Shares of the Target Company have not been delisted from any stock exchange in India; and (d) the Target Company

has not issued any partly paid-up shares.

10.8 As set out in paragraph 2.1.5 of this Draft Letter of Offer, the Target Company entered into the Scheme along with FSL and POIL for the transfer by way of demerger of the Business to the Target Company from FSL and issuance of the Target Company's Equity Shares to the shareholders of FSL as on the Record Date. The Business comprises of the whole of the undertaking, as a going concern of FSL comprising of the business of manufacturing and supplying of specialty oleo chemicals (natural source) and nutraceuticals (natural source) made from by-products generated from processing of crude vegetable oil refineries, including vegetable oil based fatty acid distillate and acid oils. Its finished products in the fatty acids category viz. (a) Dimer Acid and (b) Linoleic Acid meet stringent technical parameters vis-à-vis the products made from prime oils. No cash consideration was paid for the demerger, and for every 3 (three) fully paid up equity shares held by a shareholder of FSL, such shareholder received 1 fully paid up equity share of the Target Company. The Scheme received all relevant approvals from SEBI and the Stock Exchanges, the shareholders of each company and the National Company Law Tribunal, Mumbai bench, and consequently, on August 12, 2020 i.e. the effective date of the completion of the demerger under the Scheme, the Business was transferred to the Target Company. The Target Company has not undergone any name change since its incorporation.

10.9 The Voting Share Capital of the Target Company has been computed as follows:

No.	Particulars	Details
1.	Shares outstanding as on the date of the Public Announcement	13,020,902
2.	Convertible instruments capable of being allotted by 10 th (tenth) Working Day from the closure of the Tendering Period	Nil
	Voting Share Capital (1 + 2)	13,020,902

10.10 Based on information available on the website of Stock Exchanges, the composition of the board of directors of the Target Company is as set out below:

No.	Name	Designation	DIN	Date of appointment
1.	Shri Utkarsh Shah	Chairman (Non-executive)	00101663	26-08-2020
2.	Shri Nahoosh Jariwala	Managing Director	00012412	27-03-2019
3.	Shri Sumit Maheshwari	Nominee Director	06920646	26-08-2020
4.	Shri Venkatraman Srinivasan	Independent Director	00246012	26-08-2020
5.	Ms. Sonal Ambani	Independent Director	02404841	26-08-2020
6.	Shri Darius Pandole	Independent Director	00727320	26-08-2020

10.11 As on the date of this Draft Letter of Offer, the Acquirer and PAC 1 have appointed a nominee director, namely Mr. Sumit Maheshwari on the board of directors of the Target Company. PAC 2 is the Managing Director of the Target Company. PAC 3 is the Chairman & Non- Executive Director of the Target Company. The Acquirer and PACs are part of promoter and promoter group of the Target Company.

10.12 The pre-Offer and post-Offer shareholding pattern of the Target Company is set out below:

Shareholders Category	Shareholding and voting rights prior to the SPAs and the Open Offer		Shares/voting rights agreed to be acquired which triggered the Open Offer (i.e. after completion under the SPAs) and during the Offer Period		Shares/voting rights to be acquired in Offer (assuming full acceptance)		Shareholding/ voting rights after the completion of the acquisitions under the SPAs and the Open Offer acquisition (assuming full acceptance)	
	(A)		(B)		(C)		(A) + (B) + (C)	
	Number	% ¹	Number	% ¹	Number	% ¹	Number	% ¹
I. Promoter Group								
(a) Parties to the SPAs								
(i) Acquirer and PACs								
(a) Acquirer	63,47,609	48.75	23,30,757 [#]	17.90 [#]	33,77,953	25.94	1,20,56,319	92.59
(b) PAC 1	1,083	0.01	-	-	-	-	1,083	0.01
(c) PAC 2	-	-	-	-	-	-	-	-
(d) PAC 3	8,333	0.06	-	-	-	-	8,333	0.06
(e) PAC 4	1,12,327	0.86	2,09,547 [#]	1.61 [#]			3,21,874	2.47
(f) PAC 5	2,21,006	1.70	4,12,287 [#]	3.17 [#]			6,33,293	4.86
(ii) Sellers	29,52,591 [#]	22.68 [#]	(29,52,591)	(22.68)	-	-	-	-
Total 1 (a) (i+ii)	9,642,949	74.06	-	-	33,77,953	25.94	1,30,20,902	100.00
(b) Promoters other than (a) above ^{##}	-	-	-	-	-	-	-	-
Total 1 (a + b)	9,642,949	74.06	-	-	33,77,953	25.94	1,30,20,902	100.00
2. Parties to the agreement other than (1)(a)	-	-	-	-	-	-	-	-
3. Public (other than parties to the agreement, Acquirer and PACs)								
(a) FIs/MFs/Banks/ FPIs	1,49,165	1.15	-	-	-	-	-	-
(b) Others	32,28,788	24.79	-	-	-	-	-	-
(c) Employee stock options considered for determining Expanded Voting Share Capital	-	-					-	-
Total (3)(a+b+c)	33,77,953	25.94					-	-
Grand Total (1+2+3)	1,30,20,902	100					1,30,20,902	100

[#] The number of shares to be acquired under the SPAs.

Note:

1. Calculated based on the Voting Share Capital

2. The number of shareholders of the Target Company in the “public category” as on December 23, 2020 is 9649.

11. OFFER PRICE AND FINANCIAL ARRANGEMENTS

11.1 Justification of Offer Price

11.1.1 The Equity Shares are listed on the Stock Exchanges.

11.1.2 The Equity Shares started trading on BSE and NSE on December 24, 2020. Since the Equity Shares were not listed and did not trade on the Stock Exchanges during the 12 (Twelve) calendar months preceding the calendar month in which the PA was made, the Equity Shares are not considered to be frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST). The offer price is calculated in terms of Regulation 8(2) of the SEBI (SAST)

11.1.3 The Offer Price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) per Equity Share is justified in terms of regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

A	The highest negotiated price per share of the Target Company under the agreements attracting the obligation to make a PA of this Offer	575.53 ⁽¹⁾
B	The volume weighted average price paid or payable by the Acquirer or the PACs during the fifty two weeks immediately preceding the date of the PA	NA
C	The highest price paid or payable for any acquisition by the Acquirer or the PACs during the twenty six weeks immediately preceding the date of the PA	NA
D	The volume weighted average market price of equity shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded.	NA
E	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to 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	544 ⁽²⁾
F	The per equity share value computed under regulation 8(5), if applicable	NA ⁽³⁾

Source: Certificate dated December 22, 2020 issued by P M Dharia & Co , Chartered Accountants

Note:

- ^{1.} The Acquirer, Sellers and the Target Company entered into a share purchase agreement on May 22, 2019, as amended on September 30, 2020, pursuant to which, the Acquirer agreed to purchase 23,30,757 (Twenty Three Lakhs Thirty Thousand Seven Hundred and Fifty Seven) Equity Shares representing 17.9% (Seventeen Point Nine Percent) of the Voting Share Capital, for cash at a price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) per Equity Share from the Sellers. In addition, PAC 3, PAC4, PAC 5, sellers and the Target Company have entered into a share purchase agreement on May 22, 2019, as amended on September 30, 2020 pursuant to which PAC 3, PAC 4 and PAC 5 have agreed to purchase 6,21,834 (Six Lakhs Twenty One Thousand Eight Hundred and Thirty Four) Equity Shares representing 4.78% (Four Point Seven Eight Percent) of the Voting Share Capital, for cash at a price of INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only) per Equity Share from the Sellers.
- ^{2.} The price is the higher of:
 - a. The price per share of INR 537.40 (Indian Rupees Five Hundred Thirty Seven and Forty Paise Only) as per Grant Thornton Bharat LLP, who has undertaken an independent valuation exercise and issued a valuation report dated November 28, 2020 under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations. They have used Discounted Cash Flow method and Comparable Companies Market Multiple method to arrive at per Equity Share value of the Target Company.
 - b. The price per share of INR 544 (Indian Rupees Five Hundred Forty Four only) as per RBSA Capital Advisors LLP, a SEBI registered Category I Merchant Banker, (Registration Code:INM000011724) who has undertaken an independent valuation exercise and issued a valuation report dated November 28, 2020 under the provisions of Regulation 8(2)(e) of SEBI (SAST) Regulations. They have used Discounted Cash Flow method and Comparable Companies Multiple method to arrive at per Equity Share value of the Target Company.
- ^{3.} Not applicable since the acquisition is not an indirect acquisition

11.1.4 In view of the parameters considered and presented in the table in paragraph 11.1.3 above, the Offer Price, under Regulation 8(2) of the SEBI (SAST) Regulations, is INR 575.53 (Indian Rupees Five Hundred Seventy Five and Fifty Three Paise Only)

per Equity Share, and the same has been certified by P.M. Dharia & Co, vide their certificate dated December 22, 2020. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.

- 11.1.5 Since the date of the Public Announcement and as on the date of this Draft Letter of Offer, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of Tendering Period of the Offer.
- 11.1.6 As on the date of this Draft Letter of Offer, there is no revision in Offer Price. The Offer Price is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall make corresponding increases to the Escrow Amount and Bank Guarantee in accordance with Regulation 18(5) of the SEBI (SAST) Regulations and the Acquirer shall: (i) make a public announcement in the same newspapers in which the DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office, of such revision.
- 11.1.7 In the event of acquisition of the Equity Shares by the Acquirer during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. As per the proviso to Regulation 8(8) of the SEBI (SAST) Regulations, the Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 11.1.8 If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price, including if the Acquirer pays the Sellers price higher than the Offer Price as stated above, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price to all the Public Shareholders whose Equity Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the Stock Exchanges, not being a negotiated acquisition of shares of the Target Company, whether by way of bulk deals, block deals or in any other form.

11.2 **Financial Arrangements**

- 11.2.1 The Acquirer has confirmed that it has adequate resources for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Acquirer is able to implement this Open Offer. The source of funds is foreign funds.
- 11.2.2 In accordance with Regulation 17(4) of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer and CSB Bank Limited (“**Escrow Bank**”) have entered into an Escrow Agreement dated December 24, 2020 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirer has opened an escrow account under the name and title of “FIH Mauritius Investment Ltd Escrow Account” bearing account number 0177-04212075-195002 (“**Escrow Account**”) with the Escrow Bank and has made a cash deposit of INR 1,95,00,000 (Indian Rupees One Crore Ninety Five Lakhs only) in the Escrow Account in accordance with the Regulation 17(5) of the SEBI (SAST) Regulations. This cash deposit is in excess of 1% (One Percent) of the Maximum Offer Consideration, has been confirmed *vide* a confirmation letter dated December 24, 2020 issued by the Escrow Bank.

- 11.2.3 The Manager to the Open Offer has been solely authorised by the Acquirer to operate and realise monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.
- 11.2.4 The Acquirer has also furnished an unconditional, irrevocable, and on demand bank guarantee dated December 23, 2020, having bank guarantee number FNGNDH932410 for an amount of INR 48,60,50,000 (Indian Rupees Forty Eight Crores Sixty Lakhs Fifty Thousand only), being not less than 25% of the Maximum Offer Consideration, from The Hongkong and Shanghai Banking Corporation Limited (“**Bank Guarantee**”), in favour of the Manager to the Open Offer. The Bank Guarantee is valid until the earliest of: (i) expiry of a period of thirty (30) days from the date of completion of payment of consideration to all the public shareholders of the Target Company who have validly tendered their Equity Shares in the Open Offer, which date shall be specified in the written notice to be issued by the Manager; or (ii) date on which the Manager issues a written notice stating that the Offer has been validly withdrawn in terms of the SEBI (SAST) Regulations or (iii) eight (8) months from the date of issuance of the Bank Guarantee plus a claim period of three days (3). The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The Acquirer undertakes that in case the Open Offer is not completed within the validity of the Bank Guarantee, then the Acquirer shall ensure that the Bank Guarantee is further extended at least up to the 30th day from the date of completion of payment of the Equity Shares validly tendered in the Open Offer or another equivalent bank guarantee is obtained or requisite cash is deposited in the Escrow Account, in compliance with SEBI (SAST) Regulations. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, the PACs or the Target Company.
- 11.2.5 P M Dharia & Co., Chartered Accountants with Firm Registration No. (“**FRN**”) 102462W having its office at 532/533, Arun Chambers, 5th Floor, Tardeo, Mumbai 400 034 by its certificate dated December 22, 2020, has certified that the Acquirer and the PAC 1, have adequate liquid resources to meet the funding requirements/obligations under the Open Offer, based on review of the financial statements of Acquirer and PAC 1.
- 11.2.6 Based on the above, the Manager to the Open Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfil their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 11.2.7 In case of any upward revision in the Offer Price or the Offer Size (*as defined above*) by the Acquirer, the Acquirer shall ensure that the cash in the Escrow Account and / or the amount of the Bank Guarantee, be increased in compliance with Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

12. TERMS AND CONDITIONS OF THE OFFER

Operational Terms and Conditions

- 12.1 In terms of the schedule of activities, the Tendering Period for the Offer shall commence on February 9, 2020 (Tuesday) and close on February 23, 2020 (Tuesday) (both days inclusive).
- 12.2 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, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary approvals and consents for it to sell the Equity Shares on the foregoing basis.
- 12.3 The locked-in Equity Shares, if any, may be transferred to the Acquirer subject to the continuation of the residual lock -in period in the hands of the Acquirer, as may be permitted under applicable law. It is the sole responsibility of the Public Shareholder tendering their Equity Shares, to ensure that the locked-in Equity Shares are free from lock-in before such transfer to Acquirer. 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.

- 12.4 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 12.5 The Identified Date for this Offer as per the schedule of activities is January 25, 2021 (Monday).
- 12.6 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 12.7 Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.

Eligibility for accepting the Offer

- 12.8 The Letter of Offer shall be sent to the Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
- 12.9 All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to Paragraph 12.18 below) to participate in this Offer.
- 12.10 The Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgment will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgment from SEBI's website.
- 12.11 The acceptance of this Offer by the Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 12.12 The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s).
- 12.13 By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer or the Sellers for the purpose of this Offer.
- 12.14 None of the Acquirer, PACs, the Manager to the Offer or the Registrar to the Offer accept any responsibility for any loss of equity share certificates, Form of Acceptance-cum-Acknowledgment, share transfer forms etc. during transit and the Public Shareholders are advised to adequately safeguard their interest in this regard.
- 12.15 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 12.16 The Acquirer reserves the right to revise the Offer Price upwards at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding further deposits into the Escrow Amount and Bank Guarantee; (ii) make a public announcement in the same newspapers in which the DPS is published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of this Letter of Offer.

- 12.17 The instructions, authorizations and provisions contained in the Form of Acceptance-*cum*-Acknowledgment constitute part of the terms of the Offer.

Statutory and other approvals

- 12.18 As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer and PACs, there are no statutory approval(s) required by the Acquirer to complete this Offer. However, in case of any further statutory approval(s) being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer. Provided that where the statutory approval(s) extend to some but not all holders of the Equity Shares, the Acquirer shall have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approval(s) are required in order to complete this Offer.
- 12.19 All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender their Equity Shares in the Offer (including without limitation, approval from the RBI) and submit such approvals, along with the other documents required for accepting this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 12.20 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs (“**Overseas Corporate Bodies**”) and 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 copies of such previous approvals, that they would have obtained for holding the Equity Shares, in order to tender the Equity Shares held by them in this Offer, along with all the other documents required to be tendered to accept this Offer. In the event copies of such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 12.21 The Acquirer will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, in the event the statutory approvals which become applicable prior to completion of the Offer, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirer.

13. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THIS OFFER

- 13.1 The Offer will be implemented by the Acquirer and/or the PACs, subject to applicable laws, through an Acquisition Window, i.e., ‘stock exchange mechanism’ made available by the Stock Exchanges in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 (“**Acquisition Window Circulars**”). The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on the Stock Exchanges in the form of the Acquisition Window.
- 13.2 BSE shall be the ‘Designated Stock Exchange’ for the purpose of tendering Offer Shares in the Offer.
- 13.3 The Letter of Offer with the Form of Acceptance is being sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective Depositories, as of the close of business on the Identified Date.

- 13.4 The Letter of Offer along with the Form of Acceptance would also be available on SEBI website (www.sebi.gov.in), the Target Company (www.fairchem.in), the Registrar to the Offer (www.linkintime.co.in), the Manager (www.jmfl.com), BSE (www.bseindia.com) and NSE (www.nseindia.com). In case of non-receipt of the Letter of Offer, all the Public Shareholders, including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the same from the aforesaid websites or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.
- 13.5 All the Public Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers (“**Selling Broker(s)**”), during the normal trading hours of the secondary market during the Tendering Period. The Buying Broker or an affiliate may also act as Selling Broker for Public Shareholders.
- 13.6 The Acquirer has appointed IIFL Securities Limited as the “**Buying Broker**”, being the registered broker, through whom the purchases and settlements on account of the Offer Shares tendered under the Offer shall be made. The contact details of the Buying Broker are mentioned below:

IIFL Securities Limited

IIFL Centre, 9th Floor, Kamala City, Senapati Bapat Marg, Lower Parel West, Mumbai 400013, India.

Tel: +91-22-46464600; Fax: +91-22-46464700

Contact Person: Mr. Kunal Thakkar / Vishal Hase

- 13.7 The Selling Broker can enter orders for physical and dematerialised Equity Shares. The cumulative quantity tendered shall be displayed on the Stock Exchanges’ website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 13.8 Modification / cancellation of orders will not be allowed during the Tendering Period.
- 13.9 The Public Shareholders can tender their Equity Shares only through Selling Broker(s) with whom such shareholder is registered as client (and has complied with the relevant ‘Know Your Client’ procedures and guidelines).
- 13.10 In the event the Selling Broker is not registered with BSE or NSE or if the Public Shareholder does not have any stock broker, then that Public Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case a Public Shareholder is not able to bid using quick unique client code facility through any BSE or NSE registered stock broker, then the Public Shareholder may approach the Buyer Broker, to tender Equity Shares by using the quick unique client code facility of the Buying Broker or an affiliate. The Public Shareholders approaching BSE or NSE registered stock broker (with whom he does not have an account) may have to submit following details:
- 13.11 In case of Public Shareholder being an individual:
- (a) If the Public Shareholder is registered with a ‘KRA’, i.e., a KYC Registration Agency, the following documents will be required to be submitted (duly filled and completed):
 - (i) CKYC form, including FATCA, IPV, OSV if applicable;
 - (ii) KYC form and the supporting documents (all such documents are required to be self-attested) including bank account details (cancelled cheque); and
 - (iii) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) CKYC form, including FATCA, IPV, OSV if applicable;
 - (ii) KRA form;
 - (iii) KYC form and the following supporting documents required (all such documents are required to be self-attested): PAN card copy, address proof & bank account details (cancelled cheque);
 - (iv) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode; and
- It may be noted that other than submission of above forms and documents, in person verification may be required.

13.12 In case of Public Shareholder being a HUF:

- (a) If the Public Shareholder is already registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) CKYC form of the 'KARTA', including FATCA, IPV, OSV if applicable;
 - (ii) KYC form and the supporting documents required (all documents self-attested) including bank account details (cancelled cheque); and
 - (iii) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.
- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) CKYC form of the 'KARTA' including FATCA, IPV, OSV if applicable;
 - (ii) KRA form;
 - (iii) KYC form and the following supporting documents (all such documents are required to be self-attested): PAN card copy of HUF & KARTA, address proof of HUF & KARTA, HUF declaration, bank account details (cancelled cheque); and
 - (iv) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode.

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

13.13 In case of Public Shareholder being other than Individual and HUF:

- (a) If the Public Shareholder is already registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) KYC form and the supporting documents (all such documents are required to be self-attested) including bank account details (cancelled cheque);
 - (ii) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode;
 - (iii) FATCA, IPV, OSV if applicable;
 - (iv) Latest list of directors / authorised signatories / partners / trustees;
 - (v) Latest shareholding pattern;
 - (vi) Board resolution;
 - (vii) Details of ultimate beneficial owner along with PAN card and address proof; and
 - (viii) Last 2 (Two) years' financial statements.

- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) KRA form;
 - (ii) KYC form and the supporting documents (all such documents are required to be self-attested): PAN card copy of company / firm / trust, address proof of company / firm / trust and bank account details (cancelled cheque);
 - (iii) DP details where the Equity Shares are deposited (demat master / latest demat statement), assuming the Equity Shares are in dematerialised mode;
 - (iv) FATCA, IPV, OSV if applicable;
 - (v) Latest list of directors / authorised signatories / partners / trustees;
 - (vi) PAN card copies & address proof of directors / authorised signatories / partners / trustees;
 - (vii) Latest shareholding pattern;
 - (viii) Board resolution / partnership declaration;
 - (ix) Details of ultimate beneficial owner along with PAN card and address proof;
 - (x) Last 2 (Two) years' financial statements; and
 - (xi) memorandum of association / 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.

Procedure for tendering Equity Shares held in Dematerialised Form

- 13.14 The Public Shareholders who desire to tender their Equity Shares in the electronic / dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 13.15 The Public Shareholders shall submit delivery instruction slip duly filled-in specifying the appropriate market type in relation to the "Open Offer" and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Offer.
- 13.16 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 the BSE or NSE.
- 13.17 Before placing the order / bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by the BSE or NSE or the Clearing Corporation, prior to placing the order / bid by the Selling Broker.
- 13.18 Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 13.19 Modification / cancellation of orders will not be allowed during the Tendering Period of the Offer.
- 13.20 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by the Stock Exchange on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 13.21 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

- 13.22 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Offer.
- 13.23 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 13.24 In case any person has submitted Equity Shares in physical form for conversion to demat, such Public Shareholders should ensure that the process of getting the Equity Shares converted to demat mode is completed well in time so that they can participate in the Offer before the closure of the Tendering Period.
- 13.25 **The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.**
- 13.26 All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be super scribed as “**Fairchem Organics Limited - Open Offer 2020**”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 13.27 **Tendering the Equity Shares held in physical form:**
As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release bearing no. 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository w.e.f. April 1, 2019. However, in accordance with the Frequently Asked Questions issued by SEBI, “FAQs -Tendering of physical shares in buyback offer / open offer /exit offer / delisting” dated February 20, 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.
- 13.28 The procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:
- (a) Public Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s) (Form SH-4) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (iii) self-attested copy of the shareholder’s PAN Card (in case of joint holders, PAN card copy of all transferors, and (iv) any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.
- In addition, if the address of the Public Shareholder has undergone a change from the address registered in the ‘Register of Members’ of the Target Company, the 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.
- (b) Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of the

Stock Exchanges. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the Stock Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.

- (c) The Selling Broker / Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post or courier or hand delivery to the Registrar to the Offer i.e. Link Intime India Private Limited (at the following address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083, Maharashtra, India) within 2 (two) days of bidding by the Selling Broker i.e. last date for receipt of documents by Registrar is the Offer Closing Date (by 5.00 p.m.(IST)). The envelope should be super scribed as “**Fairchem Organics Limited - Open Offer 2020**”. 1 (one) copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker / Public Shareholder.
- (d) The Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as ‘unconfirmed physical bids’. Once the Registrar confirms the bids, they will be treated as ‘confirmed bids’.
- (e) In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.

Acceptance of Equity Shares

- 13.29 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 13.30 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and/or the PACs shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one).

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

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

- 13.31 Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 13.32 A Public Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance.

- 13.33 The Letter of Offer along with Form of Acceptance will be dispatched to all the Public Shareholders of the Target Company, as appearing in the list of members of the Target Company as on the Identified Date. In case of non-receipt of the Letter of Offer along with Form of Acceptance, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in), the Target Company (www.fairchem.in), the Registrar to the Offer (www.linkintime.co.in), the Manager (www.jmfl.com), BSE (www.bseindia.com) and NSE (www.nseindia.com). Such Public Shareholders of the Target Company may also obtain an electronic copy of the Letter of Offer along with Form of Acceptance from the Registrar to the Offer on providing suitable documentary evidence of holding the Equity Shares of the Target Company.
- 13.34 Alternatively, in case of non-receipt of the Letter of Offer, 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 Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in paragraphs 13.11, 13.12, 13.13. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE or NSE before the closure of the Tendering Period.

Settlement Process

- 13.35 On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- 13.36 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.
- 13.37 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds pay-out to respective Public Shareholders. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI / relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 13.38 In case of certain client types viz. NRIs, non-resident clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for onwards releasing the same to their respective Public Shareholder's account. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 13.39 For the Public Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Broker's settlement bank accounts for releasing the same to the respective Public Shareholder's account.
- 13.40 The Public Shareholders will have to ensure that they keep the Depository Participant account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non -acceptance of the shares under the Offer.
- 13.41 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. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.
- 13.42 In case of partial or non-acceptance of orders, the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder

for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker, and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.

- 13.43 Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders'/ unregistered owners' sole risk to the sole / first Public Shareholder / unregistered owner.
- 13.44 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 Acquirer, the PACs and the Manager accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 13.45 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 13.46 Buying Brokers would also issue a contract note to the Acquirer and/or the PACs for the Equity Shares accepted under the Offer.
- 13.47 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer and/or the PACs. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 13.48 The Acquirer and PACs intend to complete all formalities, including the payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer, within a period of 10 (Ten) Working Days from the closure of the Tendering Period, and for this purpose, open a special account as provided under Regulation 21(1) of the SEBI (SAST) Regulations.

14. DOCUMENTS FOR INSPECTION

- 14.1 Copies of the following documents will be available for inspection by the Public Shareholders at the office of the Manager to the Offer at JM Financial Limited, Sood Towers (East Tower), 6th Floor, Barakhamba Road, Connaught Place, New Delhi 110001, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period:

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

- 14.1.1 Certified copies of the constitutional documents and certificate of incorporation of Acquirer;

- 14.1.2 Certified copies of the constitutional documents of PAC 1, PAC 4 and PAC 5;
- 14.1.3 Certificate dated December 22, 2020 from P M Dharia & Co., Chartered Accountants with (Firm Registration No. ("FRN") 102462W) certifying the adequacy of financial resources with the Acquirer to meet its financial obligations under the Offer;
- 14.1.4 Copies of audited consolidated financial statements, as at and for the financial years ended 2017, 2018, 2019 and limited review financials from the period from January 01, 2020 to June 30, 2020 of the Acquirer;
- 14.1.5 Copies of audited consolidated financial statements, as at and for the financial years ended 2017, 2018, 2019 and limited review financials from the period from January 01, 2020 to June 30, 2020 of PAC 1;
- 14.1.6 Copies of audited financial statements, as at and for the financial years ended 2018, 2019, 2020 and certified financials from the period from April 01, 2020 to June 30, 2020 of PAC 4;
- 14.1.7 Copies of audited financial statements, as at and for the financial years ended 2018, 2019, 2020 and certified financials from the period from April 01, 2020 to June 30, 2020 of PAC 5;
- 14.1.8 Copies of FOL SPA, Other FOL SPA and SHA;
- 14.1.9 Letter dated December 24, 2020 from the Escrow Agent confirming the receipt of the Escrow Amount and the Bank Guarantee;
- 14.1.10 Copy of the Public Announcement, the DPS and the Offer Opening Public Announcement to be published by the Manager to the Offer on behalf of the Acquirer, along with corrigendum (if any);
- 14.1.11 Copy of the published recommendation made by the committee of the independent directors of the Target Company in relation to the Offer (as and when available);
- 14.1.12 SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer;
- 14.1.13 Copy of the Escrow Agreement.
- 14.1.14 Copy of the memorandum of understanding entered between the Acquirer and the Registrar to the Offer.
- 14.1.15 Certificate dated October 2, 2020 from M/s Prahlad L Patel and Co, Chartered Accountants (FRN: 0108066W) certifying the networth of PAC 2.
- 14.1.16 Certificate dated October 2, 2020 from M/s Jhaveri Shah & Co, Chartered Accountants (FRN: 127390W) certifying the networth of PAC 3.
- 14.1.17 Valuation report dated November 28, 2020 issued by Grant Thornton Bharat LLP
- 14.1.18 Valuation report dated November 28, 2020 issued by RBSA Capital Advisors LLP

15. COMPLIANCE WITH TAX REQUIREMENTS

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

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

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE FACT THAT INCOME-TAX CONSEQUENCES ARE SPECIFIC TO FACTS OF THE CASE, EACH SHAREHOLDER IS 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 ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS NOTE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS NOTE. 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 OFF THE RECOGNISED STOCK EXCHANGES IN INDIA, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. General

- i 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.
- ii A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income-Tax Act, 1961 (“Income Tax Act”) as amended from time to time. 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 in India 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. 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 shares of Target Company should be taxable in India under the Income Tax Act.
- iii Further, the non-resident Shareholder can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”) between India and the respective country of which the said Shareholder is tax resident subject to satisfying relevant conditions including but not limited to (i) those set out in limitation of benefits provisions present in the said DTAA (if any); (ii) non-applicability of General Anti-Avoidance Rule (“GAAR”); (iii) conditions under Multilateral Instruments (“MLI”) as ratified by India with the respective country of which the said Shareholder is tax resident and (iv) providing

and maintaining necessary information and documents as prescribed under the Income Tax Act.

- iv The Income Tax Act also provides for different income-tax regimes / rates applicable to the gains arising from the tendering of shares under the Open Offer, based on the period of holding, residential status, classification of the Shareholder and nature of the income earned, etc.
- v Based on the provisions of the Income Tax Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year.
- vi The summary of income-tax implications on tendering of Equity Shares is set out below. All references to Equity Shares herein refer to listed equity shares unless stated otherwise.

2. Classification of Shareholders:

Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
 - i Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 - ii Others such as Company, Firms etc.
- b) Non-Resident Shareholders being:
 - i Non- Resident Indians (“NRIs”)
 - ii Foreign Portfolio Investors (“FPIs”) / erstwhile Foreign Institutional Investors (“FIIs”) iii Other non-resident shareholders:
 - Company
 - Other than company

3. Classification of Income:

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 as stock in- trade. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“CBDT”). Shares can be classified under the following two categories:

- i Shares held as ‘investment’ (Income from transfer taxable under the head “**Capital Gains**”);
- ii Shares held as stock-in-trade (Income from transfer taxable under the head “**Profits and Gains from Business or Profession**”).

4. Income from Sale of Equity Shares classified as Investment:

As per the provisions of the Income Tax Act, any 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 business asset (i.e. stock-in-trade). Additionally, shares held by FIIs/ FPIs are treated as capital assets under Section 2(14) of the Income Tax Act (whether or not such asset is being held as a capital asset.)

5. Period of holding: Depending on the period for which the shares are held, the gain is taxable as “short- term capital gain” or “long-term capital gain”:

- a) Short-term capital assets: Listed equity shares held for a period less than or equal to 12 (twelve) months prior to the date of transfer. Gains arising therefrom should be taxable as “short-term capital gains” (“STCG”).
- b) Long-term capital assets: Listed equity shares held for a period more than 12 (twelve) months prior to the date of transfer. Gains arising therefrom should be taxable as “long-term capital gains” (“LTCG”).

6. Tendering of Equity Shares in the Offer through a Recognized Stock Exchange in India:

Where a transaction for transfer of such equity shares (i.e., acceptance under an open offer) is transacted through recognised stock exchanges and is chargeable to STT, then the taxability will be as under (for all categories of shareholders):

- a) The Finance Act, 2018 has withdrawn the exemption under Section 10(38) of the Income Tax Act for LTCG arising from transfer of equity shares on or after 1st April, 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares.
- b) As per Section 112A of the Income Tax Act, any LTCG in excess of INR 0.1 million, arising on transfer of equity shares that are listed on a recognised stock exchange and have been subject to securities transaction tax (“STT”) upon both acquisition and sale, should be subject to tax at the rate of 10%.
- c) However, Section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after 1st October, 2004 and Securities Transaction Tax (‘STT’ under Chapter VII of the Finance (No. 2) Act, 2004) was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated 1st October, 2018, providing certain situations wherein Section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
 - Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognised stock exchanges of India, was made through a preferential issue, subject to certain exceptions;
 - Where transaction for acquisition of existing listed equity share in a company was not entered through recognised stock exchanges of India, subject to certain exceptions;
 - Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognised stock exchanges and ending on the date immediately preceding the date on which the company was again listed on recognised stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder.

In terms of the said notification, STT need not have been paid on acquisition of shares (that are frequently traded) and still be eligible for benefit under Section 112A of the Income Tax Act in the following situations:

- Acquisition by scheduled banks, reconstruction or securitisation companies or public financial institutions during their ordinary course of business;
- Acquisitions approved by the Supreme Court, High Courts, National Company Law Tribunal, Securities and Exchange Board of India or Reserve Bank of India;
- Acquisitions under employee stock option scheme or employee stock purchase scheme framed under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- Acquisition by any non-resident in accordance with foreign direct investment guidelines of the Government of India;

- Acquisition in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - Acquisition from the Government;
 - Acquisition by an investment fund referred to in clause (a) to Explanation 1 to Section 115UB of the Income Tax Act or a venture capital fund referred to in clause (23FB) of Section 10 of the Income Tax Act or a Qualified Institutional Buyer; and
 - Acquisition by mode of transfer referred to in Section 47 or Section 50B or sub-section (3) of Section 45 or sub-section (4) of Section 45 of the Income Tax Act, if the previous owner or the transferor, as the case may be, of such shares has not acquired them by any mode referred to in clause (A) or clause (B) or clause (C) other than the transactions referred to in the proviso to clause (C) or clause (B)
- d) Where provisions of Section 112A of the Income Tax Act are not applicable, LTCG will be chargeable to tax at 20%. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess) in accordance with provisions of Section 115AD of the Income Tax Act. However, for a resident shareholder, an option is available to pay tax on such LTCG under Section 112 of the Income Tax Act at either 20% with indexation or 10% without indexation.
- e) Section 111A of the Income Tax Act provides for taxation of STCG arising on sale of listed shares at the rate of 15% provided STT is paid on the transaction.
- f) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act.
- g) Minimum Alternate Tax (“MAT”) implications may get triggered for certain companies’ resident in India and should be assessed by each of such Shareholder. Foreign companies will not be subject to MAT if the country of residence of such foreign company has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
- h) Taxability of capital gains arising to a non-resident in India from the transfer of equity shares shall be determined on the basis of the provisions of the Income Tax Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to (i) fulfilment of relevant conditions for availing treaty benefits, provisions of the law of the country of residence of the Seller, (ii) non-applicability of GAAR (demonstrated through commercial substance and strong rationale behind the transaction); (iii) conditions under Multilateral Instruments (“MLI”) as ratified by India with the respective country of which the said Shareholder is tax resident and (iv) maintaining and providing necessary documents prescribed under the Income Tax Act.

The tax rates mentioned above should be increased by the applicable surcharge and cess as per the provisions of the Income Tax Act. Please refer to paragraph 9 below for the rate of applicable surcharge and cess.

7. Income from sale of Equity Shares classified as business income

- i 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 heading “Profits and Gains from Business or Profession”.
- ii **Resident Shareholders:** Profits of (i) individuals, Hindu Undivided Family (“HUF”), association of persons (“AOP”), body of individuals (“BOI”), profits would be taxable at applicable slab rates; (ii) For domestic companies, gains shall be taxable at the eligible corporate tax rate as applicable for such company in accordance with the provisions of the Income Tax Act. and (iii) For persons other than (i) and (ii) above, profits would be taxable @ 30%. No benefit of

indexation by virtue of period of holding will be available in any case.

- iii **Non-Resident Shareholders:** Non-resident shareholders 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 (including non-applicability of GAAR and MLI) and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- iv **Where DTAA provisions are not applicable:** For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates. For foreign companies, profits would be taxed in India @ 40%. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%

The tax rates mentioned above should be increased by the applicable surcharge and cess as per the provisions of the Income Tax Act. Please refer to paragraph 9 below for the rate of applicable surcharge and cess.

8. Withholding tax implications

I. For payment of consideration

A. Resident shareholders

- i In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to the resident shareholders pursuant to transfer of Equity Shares.

B. Non-Resident shareholders

- **Payment to Non-resident shareholders being FII's/FPIs**

- i As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source is required to be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, to an FII's/FPI, as defined in Section 115AD of the Income Tax Act.

- **Payment to Non-resident shareholders (other than FII'S/FPIs)**

- i Section 195(1) of the Income Tax Act provides that any persons responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident shareholders provide a specific mandate in this regard.
- ii Since the Offer is through the stock exchange, given the practical difficulty, the Acquirer will not be deducting income tax at source on the consideration payable to such non-resident, since the entire payment has to be settled through the stock exchange mechanism and there will be no direct payment by the Acquirer to the non-resident shareholders. The responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident shareholder. The non-resident shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

- iii The non-resident shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident shareholders pursuant to this Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid etc.

The tax rates mentioned above should be increased by the applicable surcharge and cess as per the provisions of the Income Tax Act. Please refer to paragraph 9 below for the rate of applicable surcharge and cess.

II. For payment of Interest

- i In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source based on NOC or certificate for deduction of tax at nil/lower rate. In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted at the maximum marginal rate as may be applicable to the relevant category, to which the Public Shareholder belongs, by the Acquirer.
- ii Where Public Shareholders are to receive interest due to delay in making Open Offer, they must submit the following documents with the Registrar to the Offer:
 - a) **Information required from Non-resident Public Shareholder –**
 - i Self-attested copy of the PAN card . In absence of PAN for non-resident Public Shareholders, as per Notification No. 53 /2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:
 - a. Name, email id, contact number;
 - b. Address in the country of residence;
 - c. Tax Residency Certificate from the government of the country of residence, if the law of such country provides for issuance of such certificate; and
 - d. Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.
 - ii NOC/ Certificate from the Income-tax Authorities for no/lower deduction of tax;
 - iii Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
 - iv Self-attested declaration that does not have a Permanent Establishment in India either under the Income Tax Act or applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the Income Tax Act) of which the Public Shareholder claims to be a tax resident
 - v In case of non-resident shareholders claiming relief under DTAA:
 - a. Form 10F as prescribed under Section 90 or Section 90A of the Income Tax Act;
 - b. TRC to be obtained from the Government of the foreign country/specified territory of the Public Shareholder claims to be a tax resident;

b) Information required from resident Public Shareholder –

- i Self-attested copy of PAN card;
- ii Self-attested declaration in respect of residential status, status of Public Shareholders (e.g. individual, firm, company, trust, or any other - please specify);
- iii If applicable, self-declaration form in Form 15G or Form 15H (in duplicate), as applicable for interest payment, if any;
- iv NOC/Certificate from the income tax authorities (applicable only for the interest payment, if any) for no/lower deduction of tax; and
- v For Mutual Funds/Banks/other specified entities under Section 194A(3)(iii) of the Income Tax Act – Copy of relevant registration or notification (applicable only for the interest payment, if any).

Based on the documents and information submitted by the Public Shareholders, the final decision to deduct tax or not, or the quantum of taxes to be deducted on the delayed interest rests solely with the Acquirer.

Taxes once deducted will not be refunded by the Acquirer under any circumstances.

The Acquirer shall issue a certificate in the prescribed form to the Public Shareholders who have been paid interest after deduction of tax, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of Section 203 of the Income Act read with the Income-Tax Rules, 1962.

9. Rate of Surcharge and Cess

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

a) Surcharge:

- i. In case of domestic companies:
 - a. Surcharge at 10% is leviable where the company has opted under the specific regime of Section 115BAA and 115BAB of the Income Tax Act.
 - b. Surcharge at 12% is leviable where the total income exceeds INR 10 crore and at 7% where the total income exceeds INR 1 crore but is less than INR 10 crore.
- ii. In case of companies other than domestic companies:

Surcharge at 5% is leviable where the total income exceeds INR 10 crore and at 2% where the total income exceeds INR 1 crore but is less than INR 10 crore.
- iii. In case of individuals, HUF, AOP, BOI:
 - a. Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.
 - b. Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.
 - c. Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.
 - d. Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.

In case of capital gains chargeable under Section 112A and Section 111A of the Income Tax Act, the applicable surcharge should not exceed 15%.
- iv. In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds INR 1 crore.

b) Cess:

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

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

APPLICABILITY OF OTHER RELEVANT LAWS IN INDIA (SUCH AS STAMP DUTY ETC.) SHALL DEPEND ON FACTS OF EACH CASE AND SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN ADVISORS FOR THE SAME.

16. DECLARATIONS BY THE ACQUIRER AND PACs

- 16.1 The Acquirer, the PACs and their respective directors accept full responsibility for the information contained in this DLoF (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company and/or the Sellers), and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations.
- 16.2 The Acquirer and the PACs shall be jointly and severally responsible for the fulfilment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
- 16.3 The information pertaining to the Target Company and/or the Sellers contained in the PA or the DPS or DLoF 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 the Sellers, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the PACs or the Manager. The Acquirer, the PACs and the Manager do not accept any responsibility with respect to the information provided by the Target Company and/or the Sellers.
- 16.4 The persons signing this Draft Letter of Offer, are duly and legally authorized by the Acquirer and the PACs, as applicable, to sign this Draft Letter of Offer.

**Issued by the Manager to the Offer
For and on behalf of the Acquirer and the PACs**

FIH Mauritius Investments Ltd (Acquirer)

FIH Private Investments Ltd (PAC 1)

Utkarsh Shah (PAC 3)

Nahoosh Jariwala (PAC 2)

Jariwala Tradelink LLP (PAC 4)

Nahoosh Tradelink LLP (PAC 5)

Place: Mumbai

Date: December 31, 2020