

Date: November 11, 2021

To,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001,
Maharashtra, India

Respected Sir/ Madam,

Subject : Open offer for acquisition of up to 62,400 (Sixty-Two Thousand and Four Hundred) fully paid-up equity shares of face value of INR 10.00/- (Indian Rupees Ten Only) ('Equity Shares') each, representing 26.00% (Twenty-Six Percent) of the voting share capital of Punit Commercials Limited ('PUNITCO' or 'Target Company') by Narayanam Vinita Raj ('Acquirer').

We are pleased to inform you that we have been appointed as the 'Manager to the Offer' by the Acquirer for the aforementioned Open Offer. The Equity Shares of Punit Commercials Limited (PUNITCO) are listed on BSE Limited.

Further, we would like to inform you that the Acquirer has entered into a Share Purchase Agreement dated November 01, 2021, Monday with the present Promoters of the Target Company for acquisition of up to 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares, constituting 73.66% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company.


In the light of the above, we would like to inform you that the Draft Letter of Offer has been dispatched to Securities and Exchange Board of India. We are enclosing herewith a copy of the Draft Letter of Offer for your necessary perusal.

We hope your good self will find the above in order.

Thanking you,

Yours faithfully,

For CapitalSquare Advisors Private Limited


Mr. Tanmoy Banerjee
(Vice President)



Encl.: As Above

CAPITAL SQUARE ADVISORS PRIVATE LIMITED

DRAFT LETTER OF OFFER***“This document is important and requires your immediate attention”***

This Draft Letter of Offer (**‘DLoF’**) is being sent to you as the Public Shareholder (*as defined below*) of Punit Commercials Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager (*as defined below*) or the Registrar (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over this DLoF and the accompanying form of acceptance-cum-acknowledgement to the member of the stock exchange through whom the said sale was effected.

OPEN OFFER BY

| Name of the Acquirer | Residential Address | Contact Details | Email Address |
|----------------------|--|-----------------|--|
| Narayanam Vinita Raj | Trails Villa No. 2, Lanco Hills Road, Kanaka Durga Temple, Pokalwada, Manikonda - 500089, Hyderabad, India | +91- 9885821111 | narayanam.vinita@gmail.com |

There are no persons acting in concert for this Offer.

FOR THE ATTENTION OF THE PUBLIC SHAREHOLDERS OF PUNIT COMMERCIALS LIMITED**Corporate Identification Number:** L51900MH1984PLC034880;**Registered Office:** AW 2022, ‘A’ Tower, 2nd Floor, Bharat Diamond Bourse, Bandra Kurla complex, Bandra (East), Mumbai – 400051, Maharashtra, India;**Contact Number:** +91-22-4210-6999; **Fax Number:** +91-22-4002-1401;**Website:** www.punitcommercials.com;**Email Address:** punitcommercials903@rediffmail.com, sakshime@punitcommercials.com;

Open Offer for acquisition of up to 62,400 (Sixty-Two Thousand Four Hundred) fully paid-up equity shares of face value of ₹10.00/- (Rupees Ten Only) each (‘Equity Shares’) of Punit Commercials Limited (‘PUNITCO’ or ‘Target Company’), representing 26.00% (Twenty-Six Percent) of the voting share capital of the Target Company at an offer price of ₹65.00/- (Rupees Sixty-Five Only) (‘Offer Price’), by the Acquirer in accordance with the provisions of Regulations 3 (1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto (‘SEBI (SAST) Regulations’) (‘Offer’).

Please Note:

- This Offer is being made by the Acquirer, in pursuance of the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares and Voting Rights Capital accompanied with change in control and management of the Target Company.
- As on the date of this DLoF, to the best knowledge of the Acquirer, there are no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all statutory approval(s) as may be required and/or may subsequently become necessary to acquire at any later date.
- If there is any upward revision in the Offer Price (*term defined below*) and/ or the Offer Size (*term defined below*) at any time up to 1 (One) Working Day prior to commencement of the Tendering Period i.e., **Friday, December 24, 2021**, in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a public announcement in the same newspapers where the original DPS (*term defined below*) had appeared. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, the same would be communicated within 2 (Two) Working Days by an announcement in the same newspapers in which the DPS had appeared.
- This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations.**
- If there is a competitive offer, then the Offer under all subsisting bids shall open and close on the same date.**
- This Offer is not subject to a minimum level of acceptance by the Public Shareholders of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations.
- Public Shareholders, who have accepted this Offer by tendering the requisite documents in terms of the PA, the DPS, this DLoF, and the LoF (*term defined below*), shall not be entitled to withdraw such acceptance during the Tendering Period (*term defined below*).
- The procedure for acceptance is set out in Paragraph 8 titled as ‘*Procedure for Acceptance and Settlement of the Open Offer*’ at page 19 of this DLoF.
- The PA, the DPS, and the DLoF would also be available on SEBI’s website at www.sebi.gov.in.



Teaming together to create value

MANAGER TO THE OFFER

CAPITALSQUARE ADVISORS PRIVATE LIMITED
 208, 2nd Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (East), Mumbai 400 093, Maharashtra, India;
Telephone Number: +91-22-66849999/ +91 98742 83532;
Email Address: tanmoy.banerjee@capitalsquare.in/
pankita.patel@capitalsquare.in;
Website: www.capitalsquare.in;
Contact Person: Mr. Tanmoy Banerjee/Ms. Pankita Patel;
SEBI Registration Number: INM000012219;



25 Years of Excellence

REGISTRAR TO THE OFFER

VENTURE CAPITAL AND CORPORATE INVESTMENTS PRIVATE LIMITED
 12-10-167, Bharat Nagar, Hyderabad -500018, Telangana, India
Telephone Number: 91-40-23818475/23818476/23868023
E-mail Address: ‘investor.relations@vccipl.com’/
pvsrinivas@vccipl.com
Website: www.vccipl.com
Contact Person: Mr. P V Srinivasa Rao
SEBI Registration Number: ‘INR000001203’

OFFER OPENING DATE: MONDAY, DECEMBER 27, 2021**OFFER CLOSING DATE: FRIDAY, JANUARY 07, 2021**

TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES RELATING TO THIS OFFER

| Tentative Schedule of Activities | Date | Day |
|---|-----------|-------------------|
| Date of Public Announcement | Monday | November 01, 2021 |
| Last date of publication of the Detailed Public Statement in newspapers | Wednesday | November 10, 2021 |
| Last date of filing of the Draft Letter of Offer with SEBI | Wednesday | November 17, 2021 |
| Last date of a Competing Offer# | Thursday | December 02, 2021 |
| Last date by which SEBI's observations will be received (in the event SEBI has not sought clarification or additional information from the Manager) | Thursday | December 09, 2021 |
| Identified Date* | Monday | December 13, 2021 |
| Last date for dispatch of the Letter of Offer to the public shareholders of the Target Company as on the Identified Date | Monday | December 20, 2021 |
| Last date by which the recommendation of the committee of independent directors of the Target Company will be published | Thursday | December 23, 2021 |
| Last date for upward revision of the Offer Price and / or the Offer Size | Friday | December 24, 2021 |
| Date of publication of opening of Offer public announcement in the newspapers in which the Detailed Public Statement has been published | Friday | December 24, 2021 |
| Date of commencement of Tendering Period | Monday | December 27, 2021 |
| Date of closing of Tendering Period | Friday | January 07, 2022 |
| Date by which all requirement including payment of consideration would be completed | Friday | January 21, 2022 |

Note:

The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of requisite approvals from various statutory/ regulatory authorities and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.

#There has been no competing offer as of the date of this DLoF.

**Identified Date is only for the purpose of determining the names of the Public Shareholders to whom the LoF would be sent. All the owners (registered or unregistered) of the Equity Shares (except the Acquirer and the parties to the SPA) are eligible to participate in this Offer any time before the closure of this Offer.*

RISK FACTORS RELATING TO THE TRANSACTION, THE PROPOSED OFFER, AND PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRER

For capitalized terms used hereinafter, please refer to the 'Definitions' set out below:

A. Risks relating to Underlying Transaction

1. The Underlying Transaction is subject to various conditions as specified under the SPA, including: (a) receipt of all statutory approvals as set out in Paragraph 7.7 titled as '*Statutory Approvals and conditions of the Offer*' at page 18 of this DLoF and those which become applicable prior to the completion of this Offer; (b) the satisfaction or waiver of the various conditions under the SPA, including those conditions set out in paragraph 3.1.10 at page 8 of this DLoF, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the SPA, then the Underlying Transaction may be terminated.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Offer

1. This Offer is a mandatory open offer to acquire up to 26.00% (Twenty-Six Percent) of Voting Share Capital of the Target Company from the Public Shareholders. In the case of oversubscription in this Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis, and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted.
2. As on the date of this DLoF, to the best of knowledge and belief of the Acquirer, there are no statutory approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer or to complete this Offer, for further details kindly refer to Paragraph 7.7 titled as '*Statutory Approvals and conditions of the Offer*' at page 18 of this DLoF. However, if any other statutory approvals are required prior to the completion of this Offer, then this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.

3. In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Offer, or (c) SEBI instructs the Acquirer not to proceed with this Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this DLoF. Consequently, payment of consideration to the Public Shareholders of the Target Company whose Equity Shares have been accepted in this Offer as well as the return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirer to diligently pursue such approvals, grant an extension for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for the delay beyond 10th (Tenth) Working Day from the date of Closure of Tendering Period, as may be specified by SEBI.
4. Public Shareholders should note that the Equity Shares tendered by them and accepted in this Offer shall not be entitled to be withdrawn post-acceptance of such during the Tendering Period, even if the acceptance of such Equity Shares under this Offer and the payment of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar, till such time as the process of acceptance of tenders and the payment of consideration is completed.
5. This Offer is subject to the receipt of statutory and regulatory approvals by the Acquirer. The Acquirer may not be able to proceed with this Offer in the event, the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Further delay, if any, in the receipt of these approvals may delay completion of this Offer.

C. Risks involved in associating with the Acquirer

1. The Acquirer intends to acquire up to 62,400 (Sixty-Two Thousand Four Hundred) Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company, at an offer price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this DLoF. The Equity Shares and the documents tendered in this Offer will be held in trust by the Registrar until the completion of this Offer formalities, and the Public Shareholders will not be able to thereafter trade in such Equity Shares. Post this Offer, the Acquirer will have significant equity ownership and effective management control over the Target Company, pursuant to Regulations 3 (1) and 4 of the SEBI (SAST) Regulations.
2. The Acquirer makes no assurance with respect to the market price of the Equity Shares during the Offer Period and upon the completion of this Offer and disclaims any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in this Offer. The Acquirer makes no assurance with respect to the financial performance of the Target Company.
3. The Acquirer and the Manager, accept no responsibility for the statements made otherwise than in the PA, the DPS or this DLoF or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager, and any person placing reliance on any other source of information would be doing so at its own risk.
4. For the purpose of disclosures in the DLoF, all information relating to the Target Company has been obtained from publicly available sources or from the Target Company. The accuracy of such details of the Target Company and the Seller have not been independently verified by the Acquirer and the Manager.

The risk factors set forth above, pertain to this Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in this Offer. Public Shareholder of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Offer. Each Public Shareholder of the Target Company, is hereby advised to consult with their legal, financial, tax, investment, or other advisors and consultants of their choice, if any, for further risks with respect to each such Public Shareholder's participation in this Offer and related transfer of Equity Shares to the Acquirer.

CURRENCY OF PRESENTATION

- In this DLoF, all references to '₹', 'Rs.', 'Rupees', 'Re', 'Rupee' are references to the official currency of India.
- In this DLoF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. DEFINITIONS AND ABBREVIATIONS

| Abbreviations | Particulars |
|-----------------------------|---|
| Acquirer | Narayanam Vinita Raj; |
| Board | Board of Directors of the Target Company; |
| Book Value per Equity Share | Net-Worth / Number of Equity Share; |
| BSE | BSE Limited; |
| CDSL | Central Depository Services (India) Limited; |
| CIN | Corporate Identification Number; |
| Clearing Corporation | Indian Clearing Corporation Limited |
| Companies Act, 2013 | Companies Act, 1956 and Companies Act, 2013; |
| Depositories | CDSL and NSDL; |
| DIN | Director Identification Number; |
| DLoF | This Draft Letter of Offer dated Thursday, November 11, 2021, filed and submitted with SEBI pursuant to Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations; |
| DP | Depository Participant; |
| DPS | Detailed Public Statement dated November 08, 2021, in connection with the Open Offer, published on behalf of the Acquirer on November 09, 2021, in Financial Express - English (All India Edition), Jansatta - Hindi (All India Edition), and Mumbai Lakshadeep - Marathi (Mumbai Edition); |
| Tendering Period | Monday, December 27, 2021 to Friday, January 07, 2022; |
| ECS | Electronic Clearing Service; |
| EPS | Earnings Per Equity Share; |
| Escrow Agreement | Escrow Agreement, dated November 01, 2021, entered into between the Acquirer, the Escrow Banker and the Manager; |
| Escrow Account | The escrow account with account number '3746220879' and in the name and style of 'PUNITCO - OPEN OFFER ESCROW ACCOUNT' opened by the Acquirer with the Escrow Bank, in accordance with the SEBI (SAST) Regulations; |
| Escrow Amount | The amount aggregating to ₹10,15,000.00/- (Rupees Ten Lakhs and Fifteen Thousand Only) maintained by the Acquirer with the Escrow Banker, in accordance with the Escrow Agreement; |
| Escrow Banker | Kotak Mahindra Bank Limited; |
| Equity Shares | The fully paid-up equity shares of the Target Company of face value of ₹10.00/- (Rupees Ten only) each; |
| Equity Share Capital | The fully paid-up Equity Share capital of the Target Company is ₹24,00,000.00/- (Rupees Twenty-Four Lakhs Only) comprising of 2,40,000 (Two Lakhs Forty Thousand) Equity Shares; |
| Identified Date | The date for the purpose of determining the names of the shareholders as on such date to whom the LoF would be sent; |
| IFSC | Indian Financial System Code; |
| LoF | Letter of Offer; |
| Manager | CapitalSquare Advisors Private Limited; |
| Maximum Consideration | The total funding requirement for this Offer, assuming full acceptance of this Offer being ₹40,56,000.00/- (Rupees Forty Lakhs and Fifty-Six Thousand Only); |
| NRI/s | Non - Resident Indians; |
| NSDL | National Securities Depository Limited; |
| Offer | Open Offer being made by the Acquirer for acquisition of up to 62,400 (Sixty-Two Thousand Four Hundred) Equity Shares, representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company, at a price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share, payable in cash; |
| Offer Period | The period between the date on which the PA was issued by the Acquirer and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be |
| Offer Price | An offer price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share; |
| Offer Shares | 62,400 (Sixty-Two Thousand Four Hundred); |
| Offer Size | Up to 62,400 (Sixty-Two Thousand Four Hundred), representing 26.00% (Twenty-Six Percent) of the Voting Share Capital; |

| Abbreviations | Particulars |
|--|---|
| PA | Public Announcement dated Monday, November 01, 2021; |
| PAT | Profit After Tax; |
| Public Shareholders | All the equity shareholders of the Target Company excluding (a) the shareholders forming a part of the promoter/ promoter group of the Target Company; (b) parties to the SPA; and (c) any persons acting in concert or deemed to be acting in concert with the persons set out in (a) and (b) |
| RBI | Reserve Bank of India; |
| Registrar | Venture Capital and Corporate Investments Private Limited; |
| Return on Net Worth | Profit After Tax/ Net-Worth; |
| Sale Shares | Sale of 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares, representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital, by the existing promoters and members of the Promoter Group to the Acquirer, pursuant to execution of an SPA, at a price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share (‘Negotiated Price’) aggregating to an amount of ₹1,14,90,375.00/- (Rupees One Crore Fourteen Lakhs Ninety Thousand and Three Hundred and Seventy-Five Only); |
| SCRR | Securities Contract (Regulation) Rules, 1957, as amended; |
| SEBI | Securities and Exchange Board of India; |
| SEBI Act | Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto; |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto; |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof; |
| Selling Broker | Respective stock brokers of all the Public Shareholders who desire to tender their Equity Shares under this Offer; |
| Selling Promoter Shareholders/ Promoters | Promoters of the Target Company as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015; |
| SPA | Share Purchase Agreement dated Monday, November 01, 2021, entered amongst the Acquirer and following mentioned selling promoter shareholders, namely being: (a) Sakshi Nirav Mehta; (b) Priya Nirav Mehta; (c) Nirav Prabodh Mehta; (d) Purnima Prabodh Mehta; and (e) Subir Diamonds Private Limited (<i>All the aforementioned parties from (a) to (e), are hereinafter collectively referred to as ‘Promoters’</i>); |
| Stock Exchange | The stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited; |
| Voting Share Capital | The fully diluted equity and voting share capital of the Target Company as of the 10 th (Tenth) working day from the closure of the Tendering Period of this Offer; |
| Target Company/ PUNITCO | Punit Commercials Limited; |
| TRS | Transaction Registration Slip |
| Underlying Transaction | The transaction as contemplated under the SPA; |
| Working Day | Working days of SEBI as defined in the SEBI (SAST) Regulations; |

Note: All terms beginning with a capital letter used in this DLoF, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DLOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SEBI. THIS DLOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE PUBLIC SHAREHOLDERS OF PUNIT COMMERCIALS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS DLOF. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY

RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS DLOF, THE MANAGER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES HER RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED THURSDAY, NOVEMBER 11, 2021, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DLOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.

General Disclaimer

This DLoF together with the PA, and the DPS in connection with the Offer, has been prepared for the purposes of compliance with SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this DLoF and/or the LoF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer is under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LoF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LoF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this DLoF and/or the LoF under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

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

3. DETAILS OF THIS OFFER

3.1. Background of the Offer

- 3.1.1. This is a mandatory Open Offer, being made by Narayanam Vinita Raj (Acquirer), in pursuance of and in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the Target Company, i.e., a company incorporated and duly registered under the Companies Act, 1956 and having its registered office located AW 2022, 'A' Tower, 2nd Floor, Bharat Diamond Bourse, Bandra Kurla Complex, Bandra (East), Mumbai-400051, Maharashtra, India. This Offer has triggered upon the execution of the SPA.
- 3.1.2. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 3.1.3. There is/ are no person acting in concert/s with the Acquirer within the meaning of Regulation 2(1) (q) of the SEBI (SAST) Regulations.
- 3.1.4. The Acquirer is making an Offer to acquire up to 62,400 (Sixty-Two Thousand Four Hundred) Equity Shares representing 26.00% (Twenty-Six Percent) of Voting Share Capital of the Target Company, at an offer price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share, aggregating to a total consideration of ₹40,56,000.00/- (Rupees Forty Lakhs Fifty-Six Thousand Only), payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the PA, the DPS, this DLoF, and LoF.
- 3.1.5. The Acquirer has entered into an SPA with the Selling Promoter Shareholders with an intention to acquire up to 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares, representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital of the Target Company at a Negotiated Price of ₹65.00/- (Rupees Sixty-Five Only) per Sale Share, for a total consideration of ₹1,14,90,375.00/- (Rupees One Crore Fourteen Lakhs Ninety

Thousand Three Hundred and Seventy-Five Only), payable in compliance with the terms and conditions scheduled in the SPA.

3.1.6. The details of the all the Selling Promoter Shareholders, who have entered into the SPA with the Acquirer are stated hereunder:

| Sr. No. | Name, PAN and Address of Selling Promoter Shareholders | Nature | Changes in the names in the past | Part of the Promoter/Promoter Group | Equity Shares held prior to SPA | % of Equity Shares |
|--------------|---|-------------------------|----------------------------------|-------------------------------------|---------------------------------|--------------------|
| (i) | Sakshi Nirav Mehta PAN: DPNM8250R; Resident at 901, Dev Darshan Building, 50 Ridge Road, Walkeshwar, Teen Batti, Mumbai - 400006, Maharashtra, India; | Individual | NA | Yes | 9,495 | 3.96% |
| (ii) | Priya Nirav Mehta PAN: AFGPM8960E; Resident at 901, Dev Darshan Building, 50 Ridge Road, Walkeshwar, Teen Batti, Mumbai - 400006, Maharashtra, India | Individual | NA | Yes | 32,330 | 13.47% |
| (iii) | Nirav Prabodh Mehta PAN: AABPM5297L; Resident at 901, Dev Darshan Building, 50 Ridge Road, Walkeshwar, Teen Batti, Mumbai - 400006, Maharashtra, India | Individual | NA | Yes | 49,550 | 20.65% |
| (iv) | Purnima Prabodh Mehta PAN: AABPM9938N; Resident at 901, Dev Darshan Building, 50 Ridge Road, Walkeshwar, Teen Batti, Mumbai - 400006, Maharashtra, India | Individual | NA | Yes | 53,850 | 22.44% |
| (v) | Subir Diamonds Private Limited PAN: AAACS6287Q; CIN: U36912MH1982PTC028980; Registered Office Address: AW 2022, 'A' Tower, 2nd Floor, Bharat Diamond Bourse, Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra, India | Private Limited Company | NA | Yes | 31,550 | 13.15% |
| TOTAL | | | | | 1,76,775 | 73.66% |

3.1.7. Apart as mentioned above, 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital of the Target Company, which the Acquirer has agreed to acquire pursuant to execution of an SPA, the Acquirer has not acquired any Equity Shares during the 52 (Fifty-Two) week's period prior to the date of the PA.

3.1.8. The Manager does not hold any Equity Shares as on the date of this DLoF. The Manager further declares and undertakes that, they shall not deal in the Equity Shares on their own account during the Offer Period.

3.1.9. This Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.10. The salient features of the SPA are as follows:

- a. The Selling Promoter Shareholders are holding 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares, representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital of the Target Company.
- b. The Selling Promoter Shareholders have agreed to sell and the Acquirer has agreed to acquire 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares, representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital of the Target Company, at a negotiated price of ₹65.00/- (Rupees Sixty-Five

Only) per Sale Share aggregating to an amount of ₹1,14,90,375.00/- (Rupees One Crore Fourteen Lakhs Ninety Thousand Three Hundred and Seventy-Five Only) in terms of the SPA (**‘Purchase Price’**).

- c. The Sale Shares are free from all charges, encumbrances, pledges, liens, attachments, litigations and are not subjects to any lock in period.
- d. The aggregate entire purchase consideration for the Sale Shares aggregating to an amount of ₹1,14,90,375.00/- (Rupees One Crore Fourteen Lakhs Ninety Thousand Three Hundred and Seventy-Five Only) shall be payable by the Acquirer to the Selling Promoter Shareholders as per the following schedule:
- (i) A sum equivalent to 50.00% (Fifty Percent) of the Purchase Price amounting to ₹57,45,187.00/- (Rupees Fifty-Seven Lakhs Forty-Five Thousand One Hundred and Eighty-Seven Only) to be paid through account payee cheque or bank transfer on signing of the SPA; and
- (ii) The balance of 50.00% (Fifty Percent) of the Purchase Price amounting to ₹57,45,187.00/- (Rupees Fifty-Seven Lakhs Forty-Five Thousand One Hundred and Eighty-Seven Only) shall be paid prior to transferring of Equity Shares from Selling Promoter Shareholders’ account to the demat account of the Acquirer after completion of the Offer formalities in compliance and within the timelines as mentioned in Regulation 22 of the SEBI (SAST) Regulations.
- e. After completion of this Offer, the Selling Promoter Shareholders shall not hold any Equity Shares and Voting Share Capital in the Target Company; and hence shall be no longer be the shareholders of the Target Company in any capacity.
- f. The Selling Promoter Shareholders shall sell, convey, and deliver to the Acquirer, Sale Shares and the Acquirer shall purchase, acquire, and accept the said Sale Shares from the Selling Promoter Shareholders.
- g. The Acquirer and the Selling Promoter Shareholders have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations.
- h. Non-compliance with any provisions of the SEBI (SAST) Regulations will lead to termination of the SPA, effecting such sale from being acted upon by the Selling Promoter Shareholders or the Acquirer.
- 3.1.11. As per the provisions of Regulations 26 (6) and 26 (7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide written reasoned recommendation on this Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspaper where the DPS was published.

3.2. Details of the proposed Offer

3.2.1. The PA to the Public Shareholders of the Target Company was issued on Monday, November 01, 2021 by the Manager, for and on behalf of the Acquirer. A copy of the said PA was filed with SEBI, BSE, and the Target Company on Monday, November 01, 2021.

3.2.2. The DPS dated Monday, November 08, 2021, had been published in the following newspapers on Tuesday, November 09, 2021 in accordance with the provisions of Regulation 14 (3) of the SEBI (SAST) Regulations:

| Publication | Language | Edition |
|--------------------|----------|----------------|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Edition |
| Mumbai Lakshadweep | Marathi | Mumbai Edition |

3.2.3. The DPS is also available on the website of SEBI at www.sebi.gov.in; website of BSE at www.bseindia.com; and the website of Manager at www.capitalsquare.in.

3.2.4. The Acquirer has proposed to acquire from the Public Shareholders of up to 62,400 (Sixty-Two Thousand Four Hundred) Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company at a price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share, 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 PA, the DPS, and this DLoF.

- 3.2.5. The Target Company doesn't have any partly paid-up Equity Shares; and there are no outstanding warrants, or options or similar instrument, which are convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations.
- 3.2.6. The Acquirer will accept all the Equity Shares of the Target Company, that are tendered in valid form in terms of this Offer up to a maximum of 62,400 (Sixty-Two Thousand Four Hundred) representing 26.00% of the Voting Share Capital of the Target Company.
- 3.2.7. Since the date of the PA to this date of DLoF, the Acquirer has not acquired any Equity Shares.
- 3.2.8. The Acquirer has deposited more than 25.00% (Twenty-Five Percent) of the total consideration payable to the Public Shareholders in pursuance of this Offer, in compliance with the provisions of Regulation 17 of the SEBI (SAST) Regulations.
- 3.2.9. No competing offer has been received as on date of this DLoF.
- 3.2.10. There is no differential pricing in this Offer.
- 3.2.11. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations.
- 3.2.12. This Offer is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations;
- 3.2.13. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares.
- 3.2.14. The Equity Shares will be acquired by the Acquirer free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter.
- 3.2.15. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirer has appointed CapitalSquare Advisors Private Limited as the Manager.
- 3.2.16. As on the date of this DLoF, the Manager does not hold any Equity Shares in the Target Company, and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager declares and undertakes that, they shall not deal on its own account in the Equity Shares during the Offer Period. Further, the Manager confirms that, as on date of this DLoF, there are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending.
- 3.2.17. As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the public shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per SCRR and the SEBI (LODR) Regulations. In case, if the public shareholding falls below the minimum required level, the Acquirer undertakes to take necessary steps to facilitate compliance by the Target Company with the relevant provisions of the SEBI (LODR) Regulations, within the time period mentioned therein or in accordance with such other directions as may be provided by the BSE, in accordance with the provisions of Regulation 7(4) of the SEBI (SAST) Regulations and SCRR.
- 3.2.18. Upon completion of this Offer, assuming full acceptances, the Acquirer will hold 2, 39,175 (Two Lakhs Thirty Nine Thousand One Hundred and Seventy-Five) Equity Shares representing 99.66% (Ninety-Nine and Six Six Percent) of the Voting Share capital of the Target Company.

3.3. **Object of the Open Offer**

- 3.3.1. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 3.3.2. The Acquirer has proposed to continue the existing business of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far;

- 3.3.3. The Acquirer states that, she does not have any plans to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (Two) years from the date of closure of this Offer, except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that, she shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required.
- 3.3.4. The Acquirer has reserved the right to streamline or restructure, pledge, or encumber her holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets, or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, at a later date in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time.
- 3.3.5. Post-completion of this Open Offer by acquisition of 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company and pursuant to the transfer of Equity Shares so acquired as contemplated under the SPA, the Acquirer shall hold majority of the Equity Shares of the Target Company by virtue of which she will be in a position to exercise effective management and control over the Target Company.
- 3.3.6. Pursuant to this Offer and the transactions contemplated in the SPA, the Acquirer shall become the Promoter of the Target Company and, the Selling Promoter Shareholders will cease to be the promoter of the Target Company and shall be classified as a public shareholder in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations.

4. BACKGROUND OF THE ACQUIRER - NARAYANAM VINITA RAJ

- 4.1. Narayanam Vinita Raj, w/o Phani Raj Narayanam, aged 52 years, Indian resident, bearing Permanent Account Number 'ACAPN1412H' under the Income Tax Act, 1961, resident at The Trails Villa No. 2, Lanco Hills Road, Kanaka Durga Temple, Pokalwada, Manikonda - 500089, Hyderabad, India, bearing contact number '+91- 9885821111', and Email Address being 'narayanam.vinita@gmail.com'.
- 4.2. The Acquirer has completed her Master's in Software Engineering from Aptech Computer Education and is a Bachelor of Science from University of Pune, having an experience and expertise of 10 (Ten) years in quality management by designing, developing, and implementing quality system standards, and software engineering processes. The Acquirer has more than 8 (Eight) years of experience in the field of Information Technology and Quality Management and Training. The Acquirer has also worked as a counsellor and faculty of Aptech Computer Education, Pune; and is presently working as a Quality Assurance Manager of Incotec Software India Private Limited.
- 4.3. The Acquirer is not acting in the capacity of a director in any company.
- 4.4. The net worth of Acquirer as on September 01, 2021 is ₹13,75,00,000.00/- only (Rupees One Crore Three Hundred and Seventy Five Lacs only) and the same is certified by M Madhusudhan Reddy Partner of M M Reddy & Co., Chartered Accountant bearing Membership Number '213077', and Firm Registration No: 010371S, having office at M M R Lion Corp, 4th Floor, HSR Eden, Road No.2, Banjara Hills, Hyderabad - 500034, Telangana, India bearing Email address 'mmreddyandco@gmail.com' vide certificate dated November 01, 2021.
- 4.5. As on date of this DLoF, the Acquirer does not hold any Equity Share in the Target Company, hence the provisions of Chapter V of SEBI (SAST) Regulations are not applicable to the Acquirer. However, pursuant to the execution of the SPA, she intends to acquire 1,76,775 (One Lakh Seventy-Six Thousand Seven Hundred and Seventy-Five) Equity Shares representing 73.66% (Seventy-Three point Six Six Percent) of the Voting Share Capital of the Target Company.
- 4.6. As on date of this DLoF, except the execution of the SPA, the Acquirer does not have any interest or any other relationship in the Target Company and with its promoters, directors or key employees.
- 4.7. As on date of this DLoF, the Acquirer does not belong to any group.
- 4.8. As on date of this DLoF, the Acquirer is not forming part of the present promoter and promoter group of the Target Company.

- 4.9. The Acquirer has confirmed and declared that, there is/are no nominee(s) of the Acquirer on the Board of Directors of the Target Company.
- 4.10. The Acquirer, has confirmed and declared that, she is not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act;
- 4.11. The Acquirer has confirmed and declared that, she has not been categorized nor is appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI.
- 4.12. The Acquirer has further confirmed and declared, she is not declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 4.13. The Acquirer has stated that, there are no persons acting in concert in relation to this Offer within the meaning of Regulation 2 (1) (q) (1) of the SEBI (SAST) Regulations.
- 4.14. The Acquirer hereby undertakes that, she will not sell the Equity Shares, held, and acquired by her, if any, during the Offer period in terms of Regulation 25 (4) of the SEBI (SAST) Regulations.

5. BACKGROUND OF THE TARGET COMPANY - PUNIT COMMERCIALS LIMITED

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

- 5.1. Punit Commercials Limited was originally incorporated on December 22, 1984, as 'Punit Commercials Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, and certificate of commencement of Business was issued on January 08, 1985 by Registrar of Companies, Maharashtra. The Corporate Identification Number of the Target Company is 'L51900MH1984PLC034880'. The Target Company is having its registered office situated at AW 2022, 'A' Tower, 2nd Floor, Bharat Diamond Bourse, Bandra Kurla complex, Bandra (East), Mumbai - 400051, Maharashtra India.
- 5.2. As on the date of this DLoF, the authorized Equity Share capital of the Target Company is ₹25,00,000.00/- (Rupees Twenty-Five Lakhs Only) comprising of 2,50,000 (Two Lakhs Fifty Thousand) Equity Shares; and the issued, subscribed, and paid-up Equity Share capital is ₹24,00,000.00/- (Rupees Twenty-Four Lakhs) comprising of 2,40,000 (Two Lakhs Forty Thousand) Equity Shares. Further, the Target Company does not have any partly paid-up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations.
- 5.3. As on date of this DLoF, the paid-up capital structure of the Target Company is as follows:

| Particulars of Equity Share Capital | No. of Equity Shares and Voting Rights | % of Equity Shares and Voting Rights |
|-------------------------------------|--|--------------------------------------|
| Fully paid-up Equity Shares | 2,40,000 | 100.00% |
| Partly paid-up Equity Shares | Nil | Nil |
| Total paid-up Equity Shares | 2,40,000 | 100.00% |
| Total voting rights | 2,40,000 | 100.00% |

- 5.4. The entire Equity Share capital and Voting Share Capital of the Target Company is listed at BSE . The Target Company has already established connectivity with the Depositories. The Equity Shares bearing International Securities Identification Number 'INE750G01019' are placed under Group 'XT' bearing Scrip Code '512099' and Scrip ID 'PUNITCO' on the BSE.
- 5.5. Based on the information available on the BSE's website, the Equity Shares of the Target Company are not frequently traded on BSE Limited within the meaning of explanation provided in 2 (1) (j) of the SEBI (SAST) Regulations.
- 5.6. The Target Company is in compliance with the SEBI (LODR) Regulations, and as on date of this DLoF, no penal action has been taken by BSE against the Target Company.
- 5.7. There has been no merger, demerger, or spin-off during the last 3 (Three) years.

5.8. The present Board of Directors of the Target Company are as follows:

| Sr. No. | Name | Date of Appointment | Director Identification Number | Designation |
|---------|----------------------------|---------------------|--------------------------------|----------------------|
| 1. | Nirav Prabodh Mehta | October 31, 1994 | 00518614 | Managing Director |
| 2. | Purnima Prabodh Mehta | September 29, 1997 | 00518991 | Director |
| 3. | Sujit Sureshchandra Mehta | November 04, 2009 | 01718827 | Independent Director |
| 4. | Himanshu Vijaybhai Kothari | August 01, 2019 | 08373194 | Independent Director |

5.9. **Financial Information**

The financial details of the Target Company as per unaudited financial results and limited review report for the six-months period ending September 30, 2021, and the audited Financial Statements for the last three Financial Years ended March 31, 2021, March 31, 2020, March 31, 2019 and are as follows:

| Profit and Loss Statement | | | | |
|---|--|-------------------------------|----------------|----------------|
| (₹ in Lakhs) | | | | |
| Particulars | For the six-months period ended September 30, 2021 | For the Financial Year ending | | |
| | | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| | (Unaudited – Limited Review Report) # | (Audited) @ | (Audited) @ | (Audited) @ |
| Income from Operations | 159.63 | 765.71 | 697.31 | 556.74 |
| Other Income | 0.08 | 0.87 | 5.32 | 19.60 |
| Total Income | 159.71 | 766.58 | 702.63 | 576.35 |
| Total Expenditure | 150.86 | 737.43 | 698.92 | 573.87 |
| Profit/(Loss) before Interest, Depreciation and Tax | 8.85 | 29.15 | 3.71 | 2.48 |
| Depreciation & Amortization Expenses | -- | -- | -- | 0.01 |
| Interest | -- | 0.18 | 0.24 | 2.32 |
| Profit/ (Loss) before Tax | 8.85 | 28.97 | 3.47 | 0.15 |
| Add: Exceptional Items | -- | -- | -- | -- |
| Less: (i) Current Tax | -- | 0.05 | 0.60 | -- |
| (ii) Deferred Tax | -- | -- | -- | -- |
| (iii) Tax Adjustments for Earlier Years | -- | (0.11) | 0.41 | -- |
| Profit/ (Loss) After tax | 8.85 | 29.03 | 2.46 | 0.15 |

| Balance Sheet | | | | |
|---------------------------------|--|-------------------------------|----------------|----------------|
| (₹ in Lakhs) | | | | |
| Particulars | For the six-months period ended September 30, 2021 | For the Financial Year ending | | |
| | | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| | (Unaudited – Limited Review Report) # | (Audited) @ | (Audited) @ | (Audited) @ |
| (A) Sources of funds | | | | |
| Paid-up share capital | 24.00 | 24.00 | 24.00 | 24.00 |
| Other Equity | 137.70 | 128.85 | 99.82 | 97.36 |
| Net Worth | 161.70 | 152.85 | 123.82 | 121.36 |
| Deferred Tax Liabilities | -- | -- | -- | -- |
| Trade Payables | 1.48 | 0.72 | 1.45 | -- |
| Other Financial Liabilities | 0.06 | 1.27 | 0.12 | 3.27 |
| Provisions | 0.05 | 0.05 | 0.60 | -- |
| Total (A) | 163.29 | 154.88 | 125.99 | 124.62 |
| (B) Uses of funds | | | | |
| Net Fixed Assets | -- | -- | -- | -- |
| inventories | -- | 108.44 | 16.82 | 18.42 |
| Financial Assets | -- | -- | -- | -- |

| Balance Sheet | | | | |
|---------------------------|--|-------------------------------|----------------|----------------|
| (₹ in Lakhs) | | | | |
| Particulars | For the six-months period ended September 30, 2021 | For the Financial Year ending | | |
| | | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| | (Unaudited – Limited Review Report) # | (Audited) @ | (Audited) @ | (Audited) @ |
| Trade Receivables | 144.96 | 8.94 | 74.26 | 14.63 |
| Cash and Cash Equivalents | 15.05 | 34.86 | 30.15 | 71.85 |
| Current Tax Assets (Net) | -- | -- | -- | -- |
| Other Current Assets | 3.28 | 2.63 | 4.76 | 19.72 |
| Total (B) | 163.29 | 154.88 | 125.99 | 124.62 |

| Other Financial Data | | | | |
|--------------------------|--|-------------------------------|----------------|----------------|
| Particulars | For the six-months period ended September 30, 2020 | For the Financial Year ending | | |
| | | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| | (Unaudited – Limited Review Report) @ | (Audited) @ | (Audited) @ | (Audited) @ |
| Dividend (%) | Nil | Nil | Nil | Nil |
| Earnings Per Share (₹) | 3.69* | 12.09 | 1.02 | 0.06 |
| Return on Net worth (%) | 5.47% | 18.99% | 1.99% | 0.12% |
| Book Value Per Share (₹) | ₹6.74 | ₹6.37 | ₹5.16 | ₹5.06 |

*Not annualized.

Notes:

(i) $EPS = \text{Profit after tax} / \text{number of outstanding Equity Shares at the close of the year/ period};$

(ii) $\text{Return on Net Worth} = \text{Profit after Tax} / \text{Net-Worth};$

(iii) $\text{Book Value per Share} = \text{Net-Worth} / \text{No. of Equity Shares};$

(iv) Source: Audited Annual Reports or Audited Financial Statements or Unaudited Financial Results;

#This information is extracted from the audited financial statements prepared in accordance with Indian Accounting Standards;

@This information is extracted from the financial statements prepared in accordance with Indian Accounting Standards;

5.10. **Pre-Open Offer and Post-Open Offer shareholding of the Target Company (based on the issued, subscribed and paid-up Equity Share capital and Voting Share Capital)**

| Shareholders' Category | Shareholding/ voting rights prior to the SPA/ acquisition and Offer | | Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations | | Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances) | | Shareholding/ voting rights after Acquisition and Offer (A+B+C) | |
|---|---|--------|--|----------|---|----|---|----|
| | (A) | | (B) | | (C) | | (D) | |
| | No. of Equity shares | % | No. of Equity shares | % | No. of Equity shares | % | No. of Equity shares | % |
| (1) Promoter Group | | | | | | | | |
| Parties to the Share Purchase Agreement | | | | | | | | |
| Sakshi Nirav Mehta | 9,495 | 3.96% | (9,495) | (3.96)% | -- | -- | -- | -- |
| Priya Nirav Mehta | 32,330 | 13.47% | (32,330) | (13.47)% | -- | -- | -- | -- |
| Nirav Prabodh Mehta | 49,550 | 20.65% | (49,550) | (20.65)% | -- | -- | -- | -- |
| Purnima Prabodh Mehta | 53,850 | 22.44% | (53,850) | (22.44)% | -- | -- | -- | -- |
| Subir Diamonds Private Limited | 31,550 | 13.15% | (31,550) | (13.15)% | -- | -- | -- | -- |

| Shareholders' Category | Shareholding/ voting rights prior to the SPA/ acquisition and Offer | | Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations | | Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances) | | Shareholding/ voting rights after Acquisition and Offer (A+B+C) | |
|--|---|----------------|--|-----------------|---|-----------------|---|----------------|
| | (A) | | (B) | | (C) | | (D) | |
| | No. of Equity shares | % | No. of Equity shares | % | No. of Equity shares | % | No. of Equity shares | % |
| TOTAL (1) | 1,76,775 | 73.66% | (1,76,775) | (73.66)% | -- | -- | -- | -- |
| (2) Acquirer | | | | | | | | |
| Narayanam Vinita Raj | -- | -- | 1,76,775 | 73.66% | 62,400 | 26.00% | 2,39,175 | 99.66% |
| TOTAL (2) | -- | -- | 1,76,775 | 73.66% | 62,400 | 26.00% | 2,39,175 | 99.66% |
| (3) Parties to the Share Purchase Agreement other than (1) | -- | -- | -- | -- | -- | -- | -- | -- |
| (4) Public | | | | | | | | |
| a) FIs/ MFs/ FIIs/ Banks/ SFIs (Indicate names) | -- | -- | -- | -- | -- | -- | -- | -- |
| b) Others | -- | -- | -- | -- | -- | -- | -- | -- |
| c) Other than parties to the Share Purchase Agreement from Promoter and Promoter Group | -- | -- | -- | -- | -- | -- | -- | -- |
| d) Total No. of shareholders in the Public category, i.e., 13 shareholders | 63,225 | 26.34% | -- | -- | (62,400) | (26.00)% | 825 | 0.34% |
| TOTAL (4) | 63,225 | 26.34% | -- | -- | (62,400) | (26.00)% | 825 | 0.34% |
| GRAND TOTAL | 2,40,000 | 100.00% | 1,76,775 | 73.66% | -- | -- | 2,40,000 | 100.00% |

Notes:

- i. No Equity Shares are subject to lock-in;
- ii. The Acquirer has not acquired any Equity Shares from the date of PA till the date of this DLoF.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of the Offer Price

- 6.1.1. The Equity Shares having International Securities Identification Number 'INE750G01019' are presently listed on BSE. Further, the Equity Shares of the Target Company are placed under Group 'XT' having a scrip code of '512099' and Scrip ID 'PUNITCO' on the BSE.

- 6.1.2. The total trading turnover in the Equity Shares of the Target Company on the BSE i.e. the nation-wide trading terminal based on trading volume during the twelve calendar months prior to the month of the PA (November 01, 2020 to October 30, 2021) is as given below:

| Stock Exchange | Total No. of Equity Shares traded during the Twelve calendar months prior to the month of the PA | Total No. of listed equity shares of the Target Company | Total Trading Turnover (as % of total Equity Shares listed) |
|----------------|--|---|---|
| BSE Limited | 20 (Twenty) | 2,40,000 (Two Lakhs and Forty Thousand) | Negligible |

(Source: www.bseindia.com)

Based on the above information available on the website of the BSE, the Equity Shares of the Target Company are not frequently traded shares within the meaning of explanation provided in Regulation 2 (1) (j) of the SEBI (SAST) Regulations;

- 6.1.3. The Offer Price has been determined taking into account the parameters as set out under Regulation 8 (2) of the SEBI (SAST) Regulations, as under:

| Sr. No. | Particulars | Price (In ₹ per Equity share) |
|---------|--|-------------------------------|
| 1. | Negotiated Price under the SPA | ₹65.00/- |
| 2. | The Volume Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of the PA | Not Applicable |
| 3. | Highest price paid or payable for acquisitions by the Acquirer during 26 (Twenty-Six) weeks immediately preceding the date of the PA | Not Applicable |
| 4. | The Volume Weighted Average Market Price of shares for a period of 60 (Sixty) trading days immediately preceding the date of the PA as traded on BSE where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period | Not Applicable |
| 5. | Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares of such companies. | ₹64.00/-* |

*Mr. Maligi Madhusudhana Reddy, bearing Firm registration number 'IBBI/RV/05/2019/10954', being a registered valuer having their office located at M M R Lion Corp, 4th Floor, HSR Eden, Road No.2, Banjara Hills, Hyderabad-500034, Telangana, India; with E-mail address 'mmreddyandco@gmail.com' has vide valuation certificate dated Monday, 01 November, 2021, calculated the fair value of the Equity Shares of Target Company as ₹64.00/- (Rupees Sixty-Four Only) per Equity Share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹65.00/- (Rupees Sixty-Five Only) per Equity Share being the highest of the prices mentioned above is justified in terms of the provisions of Regulation 8 (2) of the SEBI (SAST) Regulations.

- 6.1.4. As on date of this DLoF, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations.
- 6.1.5. 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 adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this DLoF up to 3 (Three) Working Days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations.
- 6.1.6. In the event of any acquisition of Equity Shares by the Acquirer during the Offer period, 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. However, the Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement and until the expiry of the Tendering Period of this Offer.

- 6.1.7. As on the date of this DLoF, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period in accordance with the provisions of Regulation 18 (4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount; (ii) make an announcement in the same newspapers in which this Detailed Public Statement has been published; and (iii) simultaneously notify the BSE, the SEBI and the Target Company at its registered office of such revision.
- 6.1.8. If the Acquirer acquires Equity Shares during the period of 26 (Twenty-Six) weeks after the Tendering Period at a price higher than the Offer Price, the Acquirer would 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 Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.

6.2. Financial Arrangements

- 6.2.1. In terms of Regulation 25 (1) of the SEBI (SAST) Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of this Offer in full out of her own sources, and net-worth is calculated after deducting the borrowings made by the Acquirer from any bank and/ or financial institutions as envisaged. M Madhusudhan Reddy Partner of M M Reddy & Co., Chartered Accountant, bearing membership number '213077', firm registration number '010371S', having its head office located at M M R Lion Corp, 4th Floor, HSR Eden, Road No.2, Banjara Hills, Hyderabad - 500034, Telangana, India; with contact details being '+91-040-23418836/40272617, +91-9848271555', and Email Address being mmreddyandco@gmail.com; vide certificate dated November 01, 2021 stated that sufficient resources are available with Acquirer for fulfilling the obligations under this Offer in full.
- 6.2.2. The maximum consideration payable by the Acquirer to acquire up to 62,400 (Sixty-Two Thousand Four Hundred) Equity Shares at the Offer Price of ₹65.00/- (Rupees Sixty-Five Only), assuming full acceptance of this Offer would be ₹40,56,000.00/- (Rupees Forty Lakhs Fifty-Six Thousand Only). In accordance with the provisions of Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of 'PUNITCO OPEN OFFER ESCROW ACCOUNT' with Kotak Mahindra Bank Limited and has deposited an amount of ₹10,15,000.00/- (Rupees Ten Lakhs and Fifteen Thousand Only), being more than 25.00% (Twenty-Five Percent) of consideration payable in this Offer, assuming full acceptance.
- 6.2.3. The Manager is authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.4. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager is satisfied about the ability of the Acquirer to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.
- 6.2.5. In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirer would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

- 7.1. The LoF will be mailed to all those Public Shareholders of the Target Company whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Monday, December 13, 2021.
- 7.2. Accidental omission to dispatch the LoF or the non-receipt or delayed receipt of the LoF will not invalidate this Offer in anyway.
- 7.3. Subject to the conditions governing this Offer, as mentioned in the LoF, the acceptance of this Offer by the Public Shareholder/s must be absolute and unqualified. Any acceptance to this Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.4. In terms of the provisions of Regulation 18 (9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in this Offer shall not be entitled to withdraw such acceptance.

7.5. Locked-in Shares

None of the Equity Shares of the Target Company are subject to lock-in.

7.6. Eligibility for accepting the Offer

7.6.1. The LoF shall be mailed to all the Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form whose names appear in register of Target Company as on Monday, December 13, 2021, the Identified Date.

7.6.2. This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.

7.6.3. All Public Shareholders and/or beneficial owners who own Equity Shares of the Target Company any time before the closure of this Offer are eligible to participate in this Offer.

7.6.4. The Acquirer has appointed Venture Capital and Corporate Investments Private Limited, as the Registrar to the Offer bearing SEBI Registration Number 'INR000001203', having office at 12-10-167, Bharat Nagar, Hyderabad, Telangana-500018, India, bearing contact details such as contact number +91-40-23818475/23818476/23868023, Email Address 'investor.relations@vccipl.com', 'pvsrinivas@vccipl.com' and website 'www.vccipl.com'. The Contact Person Mr. P V Srinivasa Rao can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays and all public holidays) on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period of this Offer.

7.6.5. The PA, the DPS, this DLoF, the LoF and the Form of Acceptance will also be available on the website of SEBI at www.sebi.gov.in. In case of non-receipt of the LoF, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the LoF, the Form of Acceptance from the website of SEBI for applying in this Offer.

7.6.6. Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders.

7.6.7. The acceptance of this Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

7.6.8. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/beneficial owner(s) of Target Company.

7.6.9. The Acquirer, Manager or Registrar accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard.

7.6.10. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager.

7.6.11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Offer.

7.7. Statutory Approvals and conditions of the Offer

7.7.1. To the best of the knowledge and belief of the Acquirer, as on the date of this DLoF, there are no statutory or other approvals required for implementing the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals.

7.7.2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FIIs) required and received any approvals (including from the RBI, the FIPB, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender their Equity Shares held by them in this Offer, along with other documents required to be

tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer have reserves the right to reject such Equity Shares tendered in this Offer;

- 7.7.3. The Acquirer in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with this Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS had appeared.
- 7.7.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer, or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of the provisions of Regulation 18 (11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, the provisions of Regulation 17 (9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture. Further, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1. This Offer will be implemented by the Acquirer, through stock exchange mechanism as provided under the SEBI (SAST) Regulations and the SEBI circulars bearing reference number ‘CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015’, ‘CFD/DCR2/CIR/P/2016/131 dated December 09, 2016’ and ‘SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021’ and on such terms and conditions as may be permitted by law from time to time.
- 8.2. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer.
- 8.3. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE, in the form of a separate window (**‘Acquisition Window’**).
- 8.4. For implementation of this Offer, the Acquirer has appointed B.N. Rathi Securities Limited (**‘Buying Broker’**) through whom the purchases and settlements on account of this Offer would be made by the Acquirer. The contact details of the Buying Broker are as follows:

| | |
|------------------------|--|
| Name | B.N. Rathi Securities Limited |
| Address | 6-3-652, Kautilya Complex, Amrutha Estates, IV Floor, Somajiguda, Hyderabad, Telangana, 500082, Indi |
| Contact Details | 040-40526283 |
| Email Address | sabita@bnrsecurities.com |
| Contact Person | G Sabitha Reddy |

- 8.5. All the Public Shareholders who desire to tender their Equity Shares under this Offer would have to approach their respective stock brokers (**‘Selling Broker’**), during the normal trading hours of the secondary market during the Tendering Period.
- 8.6. The Acquisition Window provided by the BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only.
- 8.7. The cumulative quantity tendered shall be displayed on the BSE’s website throughout the trading session at specific intervals by the BSE during Tendering Period.
- 8.8. Equity Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 8.9. **Procedure for Equity Shares held in physical form**
- 8.9.1. In accordance with the Frequently Asked Questions issued by SEBI, ‘FAQs – Tendering of physical shares in buyback offer/ open offer/ exit offer/ delisting dated February 20, 2020’ and SEBI circular bearing reference number ‘SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020’, shareholders holding securities in physical form are allowed to tender shares in the open offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations.

- 8.9.2. Public Shareholders who are holding physical Equity Shares and intend to participate in this Offer shall approach Selling Broker. The Selling Broker should place bids on the BSE's platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of Equity Shares etc.
- 8.9.3. After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out, namely being: (a) original share certificate(s), (b) valid share transfer form(s) 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, (c) self-attested copy of the shareholder's PAN Card, and (d) TRS, 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 either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the closure of the Tendering Period latest by 5:00 PM (Indian Standard Time). The envelope should be superscripted as '**PUNITCO Open Offer**'. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Selling Broker.
- 8.9.4. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport.
- 8.9.5. 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 this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted else rejected and accordingly the same will be depicted on the BSE platform.
- 8.9.6. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- 8.9.7. Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of Equity Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
- a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired;
 - b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s);
 - c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance;
- 8.10. **Procedure for tendering the Equity Shares held in dematerialized form**
- 8.10.1. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Equity Shares they wish to tender in this Offer.
- 8.10.2. The Selling Broker shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of order entry.
- 8.10.3. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.10.4. 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 BSE/ Clearing Corporation, before the offer opening date of this Offer.

- 8.10.5. Upon placing the bid, the Seller member(s) shall provide TRS generated by the Exchange Bidding System to the Public Shareholder. TRS will contain details of order submitted like Bid-ID No., DP-ID, Client-ID, No of Equity Shares tendered, etc.
- 8.10.6. The Public Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.

9. ACCEPTANCE OF EQUITY SHARES

- 9.1. The Registrar shall provide details of order acceptance to Clearing Corporation within the specified timelines.
- 9.2. 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 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.

10. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECIPT OF THE LETTER OF OFFER

- 10.1. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LoF, may also participate in this Offer.
- 10.2. A Public Shareholder may participate in this Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Offer as per the procedure mentioned in the LoF.
- 10.3. The LoF along with acceptance form will be dispatched to all the eligible Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the LoF, such eligible shareholders of the Target Company may download the same from the website of SEBI at www.sebi.gov.in or obtain a copy of the same from the Registrar on providing suitable documentary evidence of holding of the Equity Shares.
- 10.4. The LoF along with the Form of Acceptance would also be available at website of SEBI at www.sebi.gov.in and Public Shareholders can also apply by downloading such forms from the said website.
- 10.5. Alternatively, in case of non-receipt of the LoF, the eligible Public Shareholders holding the Equity Shares may participate in this Offer by providing their application in plain paper in writing signed by all the 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 Paragraph 8.9 titled as '*Procedure for Equity Shares held in physical form*' at page 19 of this DLoF. Such eligible Public Shareholders have to ensure that their order is entered in the electronic platform of BSE, made available by BSE before the closure of the Tendering Period.

11. SETTLEMENT PROCESS

- 11.1. The mechanism specified under SEBI Circular bearing reference number 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021' shall be followed for the undertaking the process of settlement.
- 11.2. On closure of this Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar and the final list shall be provided to the BSE to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- 11.3. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. The Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favor of Clearing Corporation.
- 11.4. The direct credit of Equity Shares shall be given to the demat account of the Acquirer indicated by the Acquirer's Buying Broker. The Buying Broker will transfer the funds pertaining to this Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 11.5. For the same, the existing facility of client direct payout in the capital market segment shall be available.

- 11.6. The Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under this Offer.
- 11.7. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the Buying Broker's pool account.
- 11.8. In case of partial or non-acceptance of orders or excess pay-in, demat Equity Shares shall be released to the securities pool account of the Selling Broker(s)/ custodian, post which, the Seller Broker(s) would then issue contract note for the Equity Shares accepted and return the balance Equity Shares to the Public Shareholders, in accordance with the provisions of SEBI Circular bearing reference number 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021'.

12. SETTLEMENT OF FUNDS OR PAYMENT CONSIDERATION

12.1. For Equity Shareholders holding Equity Shares in demat

- 12.1.1. The settlement of funds obligation for demat Equity Shares shall be effected by clearing corporation. For the Equity Shares accepted under this Offer, the payment will be made by the Clearing Corporation to the Public Shareholders directly to their bank account.
- 12.1.2. The payment will be made to the Buying Broker for the settlement. For Equity Shares accepted under this Offer, the Public Shareholders will receive funds payout in their settlement bank account.
- 12.1.3. The funds received from Buyer Broker by the Clearing Corporation will be released directly, to the Public Shareholder.
- 12.1.4. Public Shareholder who intends to participate in this Offer should consult their respective Seller Broker for payment to them of any cost, charges, and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Public Shareholders for tendering Equity Shares in this Offer (secondary market transaction). The consideration received by the selling Public Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges, and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Public Shareholder.
- 12.1.5. In case of delay in receipt of any statutory approval(s), the 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, and subject to such terms and conditions as specified by the 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 Eligible Public Shareholders whose Equity Shares have been accepted in the Offer.

13. NOTE ON TAXATION

- 13.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the 'Situs' of such shares. 'Situs' of the shares is generally where a company is 'incorporated'. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be 'situated' in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- 13.2. 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). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates.
- 13.3. Based on the provisions of the IT 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. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

13.4. Taxability of Capital Gain in the hands of the Public Shareholders:

- 13.4.1. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding ₹1,00,000/- (Indian Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- 13.4.2. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
- 13.4.3. Any applicable surcharge and education cess would be in addition to above applicable rates.
- 13.4.4. In case of resident Equity Public Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealer's/ tax advisors appropriately.
- 13.4.5. The tax implications are based on provisions of the IT Act as applicable as on date of this DLoF. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply.
- 13.4.6. Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.
- 13.5. **THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

14. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection at the registered office of the Manager, CapitalSquare Advisors Private Limited, located at 208, 2nd Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai 400 093, Maharashtra, India on any working day between 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) during the Tendering period i.e., from Monday, December 27, 2021 to Friday, January 07, 2022:

- 14.1. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company;
- 14.2. Memorandum of Understanding between the Manager and the Acquirer;

- 14.3. The copy of Agreement between the Registrar and the Acquirer;
- 14.4. The net-worth certified vide certificate dated Monday, November 01, 2021, by M Madhusudhan Reddy, Partner of M M Reddy & Co., Chartered Accountant, bearing membership number 213077, firm registration number 010371S, having its head office located at M M R Lion Corp, 4th Floor, HSR Eden, Road No.2, Banjara Hills, Hyderabad - 500034, Telangana, India, with contact details being '+91-040-23418836/40272617, +91-9848271555' and Email Address being mmreddyandco@gmail.com certifying that the Acquirer has sufficient resources available for the implementation of the Offer in full out of its own sources / financial commitment under this Offer in full.
- 14.5. Audited Annual Reports for the last 3 (Three) Financial Years ending March 31, 2021, March 31, 2020, and March 31, 2019 and Unaudited Financial Results with Limited Review Report for the six-months period ending September 30, 2021 of the Target Company.
 - 14.5.1. Bank Statement received from, Kotak Mahindra Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer.
- 14.6. The copy of Share Purchase Agreement dated Monday, November 01, 2021, entered between the Promoters and the Acquirer, which triggered this Offer.
- 14.7. Copy of the PA dated Monday, November 1, 2021 and published copy of the DPS dated Monday, November 08, 2021, published on behalf of the Acquirer on Tuesday, November 09, 2021, in the newspapers.
 - 14.7.1. Copy of the recommendations to be published on Thursday, December 23, 2021, by the Committee of Independent Directors of the Target Company.
- 14.8. Copy of SEBI Observation letter no. [●] dated [●].
- 14.9. Escrow Agreement between Acquirer, Escrow Bank, and Manager.

15. DECLARATION BY THE ACQUIRER

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

**On behalf of the Acquirer
Narayanam Vinita Raj**

Sd/-

Date: Thursday, November 11, 2021
Place: Mumbai