



December 04, 2020

To
General Manager
Listing Operations
BSE Ltd.
Ground Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001

Dear Sirs,

Sub: Draft Letter of Offer dated December 04, 2020 under Regulation 18(1) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in connection with the Open Offer to be made to the public shareholders of Nidhi Granites Limited.

On behalf of Darpan Shah, (hereinafter referred to as “the Acquirer”) together with Devan Pandya, in his capacity as person acting in concert with the Acquirer, we, Pantomath Capital Advisors Private Limited, the Manager to the Open Offer, hereby enclose the copy of Draft Letter of Offer in connection with the Open Offer to be made to the Public Shareholders of Nidhi Granites Limited.

The Open Offer is being made pursuant to and in compliance with Regulations 3(1) and 4 of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereto (the “**SEBI (SAST) Regulations**”).

We request you to kindly upload the Draft Letter of Offer on your website at the earliest.

Capitalized terms used in this letter unless defined herein shall have the same meanings as ascribed to them in the attached Draft Letter of Offer.

Thanking You,
For Pantomath Capital Advisors Private Limited

Jigar Jain
Manager
SEBI Reg. No. INM000012110



Progress with Values...

Pantomath Capital Advisors Private Limited (SEBI Registered Category-I Merchant Bankers)

Regd. Office: 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra (East), Mumbai – 400051

Email: info@pantomathgroup.com

Website: www.pantomathgroup.com | **CIN:** U74120MH2013PTC248061 | **Tel:** 022-6194 6700 | **Fax:** 022-26598690

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The letter of offer (“**Letter of Offer**”) will be sent to you as an Equity Shareholder of Nidhi Granites Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your equity shares in the Target Company, please hand over the Letter of Offer (as defined hereinafter) and the accompanying Form of Acceptance cum Acknowledgement (“**Form of Acceptance**”) and transfer deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER (“OFFER”) BY

DARPAN SHAH

Residence: 1303, Veer Tower, Dev Nagar Society, near Pawar Public School, Kandivali West, Mumbai — 400 067;

Tel.: +91 9930648128; **E-mail:** darpan79@gmail.com;
(hereinafter referred to as the “**Acquirer**”)

ALONG WITH

DEVAN PANDYA

Residence: 401, Sahyog Bldg, Daulat Nagar, Road No. 5, Borivali (E), Mumbai 400066, Maharashtra, India;

Tel.: +91 9930366369; **E-mail:** devanpandya@yahoo.com

MAKE A CASH OFFER TO ACQUIRE UP TO 1,95,000 FULLY PAID UP EQUITY SHARES, HAVING FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26% (TWENTY SIX PERCENT ONLY) OF THE VOTING SHARE CAPITAL OF THE TARGET COMPANY (AS HEREINAFTER DEFINED), FROM THE PUBLIC SHAREHOLDERS OF

NIDHI GRANITES LIMITED

Corporate Identification Number: L51900MH1981PLC025677

Registered Office: 9, Popat Bapa Shopping Centre, 2nd Floor, Station Road, Santacruz (West), Mumbai, Maharashtra, 400054

Tel: +91 022 26491040; **Website:** www.nidhigranites.com



Email: pushpraj0201@gmail.com

(hereinafter referred to as the “**Target Company**”)

AT A PRICE OF INR 29/- (INDIAN RUPEES TWENTY NINE ONLY) PER EQUITY SHARE (“OFFER PRICE”), PAYABLE IN CASH, IN ACCORDANCE WITH THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED FROM TIME TO TIME (“SEBI (SAST) REGULATIONS, 2011”)

- This Offer is being made by the Acquirer along with PAC pursuant to and in compliance with Regulation 3(1) & 4 and other applicable Regulations of the SEBI (SAST) Regulations, 2011.
- This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- The Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement. As on date, to the best of the knowledge and belief of the Acquirer and PAC, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Offer. However, the Offer would be subject to all the statutory approvals that may become applicable at a later date but before the completion of the Offer.
- The Acquirer shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period (as defined below), including payment of consideration to Public Shareholders.

- If there is any upward revision in the Offer Price and/or Offer Size at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period i.e. up to January 11, 2021 (Monday) in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement (“DPS”) was published. Such revised Offer Price would be payable to all the Public Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent of such Equity Shares having been verified and accepted under the Offer, by the Acquirer.
- **As per the information available with the Acquirer and PAC and the Target Company, there has been no competing offer as on date of this Draft Letter of Offer.**
- **If there are competing offers, the public offers under all the subsisting bids shall open and close on the same date.**
- A copy of the Public Announcement (“PA”), the Detailed Public Announcement (“DPS”) are available on the website of Securities and Exchange Board of India (“SEBI”) at <http://www.sebi.gov.in> and copies of Draft Letter of Offer and Letter of Offer, including Form of Acceptance cum Acknowledgment and transfer deed will be available on website of SEBI at <http://www.sebi.gov.in>.
- All future correspondence, if any, should be addressed to the Manager to the Offer/ Registrar to the Offer at the addresses mentioned below:

Manager to the Offer	Registrar to the Offer
 <p>Pantomath Capital Advisors Private Limited 406-408, Keshava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East – 400 051 Tel: +91 22 61946700 Fax: +91 22 26598690 Website: www.pantomathgroup.com E-mail: jigar.jain@pantomathgroup.com Contact Person: Jigar Jain SEBI Registration No: INM000012110</p>	 <p>Universal Capital Securities Private Limited (100% subsidiary of Link Intime India Pvt. Ltd). C 101, 247 Park, LBS Road, Vikhroli West, Mumbai – 400083 Tel: (022) 28207203-05, 49186178-79. Website: www.unisec.in Email: info@unisec.in Contact Person: Ravindra Utekar SEBI Registration No.: INR000004082</p>

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER IS GIVEN BELOW:

Activity	Day and Date*	
Date of Public Announcement	November 19, 2020	Thursday
Date of Detailed Public Statement	November 26, 2020	Thursday
Last date for filing of the Draft Letter of Offer with SEBI	December 4, 2020	Friday
Last date for a Competitive Bid, if any	December 18, 2020	Friday
Date of receipt of the comments on Draft Letter of Offer from SEBI	December 28, 2020	Monday
Identified Date#	December 30, 2020	Wednesday
Date by which Letter of Offer will be dispatched/mailed to the public shareholders	January 6, 2021	Wednesday
Last date for Revising the Offer Price / Number of Equity Shares	January 11, 2021	Monday
Last Date of announcement containing reasoned recommendation by committee of independent directors of Target Company	January 11, 2021	Monday
Date of Advertisement announcing the schedule of activities for the open offer, status of statutory & other approvals, status of unfulfilled conditions (if any), Procedure for tendering acceptances etc.	January 12, 2021	Tuesday
Date of opening of the Tendering Period	January 13, 2021	Wednesday
Date of closing of the Tendering Period	January 27, 2021	Wednesday
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and/or share certificate for the rejected shares will be dispatched	February 10, 2021	Wednesday
Date of post offer advertisement	February 17, 2021	Wednesday
Date of Post Offer Report	February 17, 2021	Wednesday

**The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of statutory/ regulatory approvals and may have to be revised accordingly. Accordingly, the dates for the above mentioned activities, wherever mentioned in this Draft Letter of Offer, are subject to change.*

#The Identified Date is only for the purpose of determining the names of the eligible shareholders of the Target Company as on such date to whom the Letter of Offer would be dispatched. It is clarified that all Public Shareholders, whether registered or unregistered, are eligible to participate in this Offer at any time during the Tendering Period.

RISK FACTORS:

Set forth below are the risk factors relating to the Underlying Transaction, the Offer and the probable risks involved in associating with the Acquirer and PAC and are not in relation to the present or future business operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation or otherwise by the Public Shareholders in this Offer, but are merely indicative. The Public Shareholders are advised to consult their stock broker or legal, financial, tax or investment advisors/ consultants, if any, for analysing and understanding all the risks with respect to their participation in this Offer and related sale and transfer of Equity Shares.

Relating to underlying transaction:

1. Acquisition of Sale Shares in the Underlying Transaction is subject to the applicable provisions of the SEBI (SAST) Regulations, 2011, and the Share Purchase Agreement (as hereinafter defined). In case the provisions of SEBI (SAST) Regulations, 2011 or the Share Purchase Agreement are not satisfactorily complied with for reasons beyond reasonable control of the Acquirer and the PAC; and consequently the Share Purchase Agreement is rescinded, the Acquirer shall not be able to act upon acquisition of Equity Shares under the Offer.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

Relating to the proposed Offer:

1. As on the date of this Draft Letter of Offer, to the best of knowledge and belief of the Acquirer and PAC, no statutory approvals are required by the Acquirer to acquire the equity shares that are validly tendered pursuant to this Offer. However, in case of any other statutory approvals are required or become applicable at a later date before the completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals and the Acquirer and PAC shall make the necessary applications for such approvals. In the event of non-receipt of any of the statutory approvals, which may become applicable for acquisition of equity shares the Acquirer shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations, 2011. In the event of such a withdrawal of the Offer, the Acquirer shall, through the Manager to the Offer, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.
2. In the event that either: (a) there is any order of a governmental authority or litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer and PAC from performing their obligations hereunder; or (b) SEBI instructing the Acquirer and PAC not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Shareholders, whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not accepted in this Offer, may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer.
3. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest, if any, in accordance with Regulation of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. 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.
4. In the case of the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, acceptance will be determined by the Acquirer, as per the SEBI (SAST) Regulations, 2011, in consultation with the Manager to the Offer, 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.
5. The Equity Shares tendered in the Offer and documents will be held in the pool account of the broker/ in trust by the Clearing Corporation of the Stock Exchange/Registrar to the Offer, till the process of acceptance of tenders and the payment of consideration is completed.
6. Public Shareholders who have lodged their acceptance to this Offer shall not be entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed. During such period, there may be fluctuations in the market price of the equity shares and the shareholders will not be able to trade in such equity shares, thereby restricting the ability of such Shareholders to take advantage of any favourable price movements. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer.
7. This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer and PAC or the Manager to the Offer to any new or additional registration requirements.
8. The Acquirer, the PAC and the Manager accept no responsibility for statements made otherwise than in the Draft Letter of Offer, Detailed Public Statement and the Public Announcement; anyone placing

reliance on any other sources of information (not released by the Acquirer, the PAC and the Manager) would be doing so at his / her / its own risk.

9. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
10. This Offer is subject to completion risks as would be applicable to similar transactions.

Relating to the Acquirer and PAC:

1. The Acquirer and PAC make no assurance with respect to their investment or divestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirer and PAC make no assurances with respect to the continuation of the business of the Target Company or continuation of past trends in the financial performance or of the future performance of the Target Company.
3. The Acquirer and PAC make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaim any of their responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether or not to participate in this Offer.
4. The Acquirer, PAC and the Manager to the Offer accept no responsibility for statements made and information pertaining to the Target Company, which has been provided or published by Target Company or obtained from publicly available sources. Any person placing reliance on any other source of information will be doing so at his / her / its own risk.
5. For the purpose of disclosures in the PA or DPS or this Draft Letter of Offer in relation to the Target Company and/or the Sellers, the Acquirer, PAC and Manager have relied on the information published or provided by the Target Company and/or the Sellers, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Sellers. The Acquirer and PAC do not accept any responsibility with respect to any misstatement by the Target Company and/or the Sellers in relation to such information.

Currency of Presentation:

1. In this Draft Letter of Offer, all references to 'Rs.' / 'Rupees' / 'INR' / '₹' are references to Indian Rupee(s), the official currency of India.
2. In this Draft Letter of Offer, 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. ABBREVIATIONS / DEFINITIONS

Term	Definition
Acquirer	Darpan Shah
Board/ Board of Directors	The Board of Directors of the Target Company
BSE	BSE Limited
Buying Broker	Pantomath Stock Brokers Private Limited, the broker appointed by the Acquirer for the Offer, through whom the purchases and settlement of Offer Shares shall be made.* <i>*The Buying Broker is in process of change of its name and its shareholding.</i>
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act	The Companies Act, 1956, as amended and/or The Companies Act, 2013, as amended, as the case may be
Depositories	CDSL and NSDL
Designated Stock Exchange	BSE Limited
DIN	Director Identification Number
DP	Depository Participant
DPS / Detailed Public Statement	The Detailed Public Statement, issued by the Manager to the Offer, on behalf of the Acquirer and PAC in relation to this Offer and published on November 26, 2020
Draft Letter of Offer/ DLoF	This Draft Letter of Offer dated December 04, 2020
Equity Shares	Fully paid-up equity shares of the Target Company of the face value of INR 10 (Indian Rupees Ten only) each
Equity Shareholders / Shareholders	All the owners of the Equity Shares
Escrow Agreements	Escrow Agreement dated November 19, 2020 entered among the Acquirer, Escrow Bank and Manager to the Offer
Escrow Bank	IndusInd Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended and the rules and regulations thereunder
FII	Foreign Institutional Investor registered with SEBI under applicable laws in India
Form of Acceptance / FoA	Form of Acceptance cum Acknowledgement, accompanying with the Letter of Offer
FPI	Foreign Portfolio Investor, as defined under Regulation 2(h) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
FY	Financial Year
Identified Date	December 30, 2020 i.e. date falling on the 10th (Tenth) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Shareholders to whom the Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
ISIN	International Securities Identification Number
Letter of Offer / LoF	The Letter of Offer to be issued pursuant to the Offer, duly incorporating SEBI's comments on this Draft Letter of Offer, including the Form of Acceptance-cum-Acknowledgement
Manager to the Offer	Pantomath Capital Advisors Private Limited
Maximum Consideration	The total funding requirement for the Offer of INR 56,55,000 (Indian Rupees Fifty Six Lakh Fifty Five Thousand only) assuming full acceptance of the Offer
NA/ N.A.	Not Applicable
Non-Resident Shareholder(s)	Persons resident outside India, as defined under FEMA, holding equity shares of the Target Company
NRI	Non-Resident Indians as defined under the Foreign Exchange Management (Deposit) Regulations, 2000

NSDL	National Securities Depositories Limited
OCBs	Overseas Corporate Bodies as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	The open offer made by the Acquirer along with PAC to the Public Shareholders to acquire up to 1,95,000 Equity Shares, representing 26% of the Voting Share Capital of Target Company
Offer Period	Period from the date of release of Public Announcement to the date of payment of consideration
Offer Price	INR 29 /- (Indian Rupees Twenty Nine only) per Equity Share
Offer Size	1,95,000 Equity Shares representing 26% of the Voting Share Capital of the Target Company
PA / Public Announcement	Public Announcement dated November 19, 2020, issued by the Manager to the Offer, on behalf of the Acquirer and PAC, in relation to this Offer
PAN	Permanent Account Number
Persons Acting in Concert	Devan Pandya
Promoter and Promoter Group	Promoter and Promoter Group of Nidhi Granites Limited
Public Shareholders	All the Equity Shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, other than the Sellers, who are parties to the Share Purchase Agreement and persons deemed to be acting in concert with Sellers in terms of Regulation 7(6) of the SEBI (SAST) Regulations; other promoters and members of the promoter group of the Target Company; the Acquirer; PAC; and persons deemed to be acting in concert with the Acquirer and PAC
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Universal Capital Securities Private Limited
INR	Indian Rupees, the legal currency of India
Sale Shares	4,65,712 Equity Shares having face value of INR 10 (Indian Rupees Ten only) each, constituting 62.09% of the total voting share capital of the Target Company, to be sold by the Sellers to the Acquirer and PAC, in terms of the SPA
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Sellers	Anil Ratanlal Saraf, Nidhi Abhinav Aggarwal, Pushpa Rajkumar Thard, Rajkumar Manmal Thard and Nupur International Pvt Ltd
Selling Broker	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
Share Purchase Agreement/ SPA / Agreement	Share purchase agreement dated November 19, 2020 entered into amongst the Acquirer, PAC and the Sellers
Stock Exchange	BSE Limited
STT	Securities Transaction Tax
Target Company	Nidhi Granites Limited, a public limited company incorporated under the Companies Act, 1956 and having its registered office at 9, Popat Bapa Shopping Centre, 2nd Floor, Station Road, Santacruz (West), Mumbai, Maharashtra, 400054
Tendering Period	Period commencing from January 13, 2021 to January 27, 2021 both days inclusive
TRS	Transaction Registration Slip generated by the Designated Stock Exchange bidding system
Underlying Transaction	The acquisition of Sale Shares under the Share Purchase Agreement
Voting Share Capital	INR 75,00,000 (Indian Rupees Seventy Five Lakh only) consisting of

	7,50,000 (Seven Lakh Fifty Thousand only) Equity Shares carrying voting rights, being the fully diluted equity voting share capital of the Target Company as of the 10th working day from the Closure of the Tendering Period of the Offer.
Working Day	A working day of SEBI, as defined under the SEBI (SAST) Regulations, 2011

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF NIDHI GRANITES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE COMPANY WHOSE SHARES / CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND PAC DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, PANTOMATH CAPITAL ADVISORS PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED DECEMBER 04, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1. BACKGROUND OF THE OFFER

- a. This Offer is a mandatory offer, being made by the Acquirer and PAC to all the Public Shareholders, in compliance with Regulations 3(1) & 4 and other applicable provisions of the SEBI (SAST) Regulations, 2011, pursuant to the Share Purchase Agreement dated November 19, 2020 entered into by and amongst the Sellers, who are part of Promoter and Promoter Group of the Target Company, the Acquirer and PAC for acquisition of 4,65,712 fully paid up Equity Shares having face value of INR 10 (Indian Rupees Ten only) each (“**Sale Shares**”) constituting 62.09% of the Voting Share Capital of the Target Company at a price of INR 26/- (Indian Rupees Twenty Six only) per fully paid-up Equity Share (“**Negotiated Price**”) aggregating to INR 1,21,08,512 (Indian Rupees One Crore Twenty One Lakhs Eight Thousand Five Hundred and Twelve only) (“**Purchase Consideration**”) payable in cash. The Acquirer and PAC do not hold any shares in the Target Company.
- b. The key terms and conditions of the Share Purchase Agreement are as follows:
 - i. Pursuant to the SPA, the Acquirer and PAC, relying on the representations and warranties of the Sellers, agreed to purchase the Sale Shares constituting 62.09% of the Voting Share Capital of the Target Company at the Negotiated Price for the Purchase Consideration.
 - ii. As a consequence of the SPA, the Sellers shall cease to be the Promoter of the Company and the Acquirer and PAC shall become the Promoter of the Company under the provisions of the SEBI (SAST) Regulations, 2011.
 - iii. The SPA is subject to the compliance of provisions of the SEBI (SAST) Regulations, 2011.
 - iv. The SPA contains mutual customary representations and warranties between the Acquirer and PAC and the Sellers, including in relation to compliance with applicable laws.

For some of the above terms more specifically defined in the SPA and other details of the SPA, shareholders of the Target Company may refer the SPA which would be available to them for inspection during the period between the Tendering Period at the office of the Manager to the Offer.

- c. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of Directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published. A copy whereof shall be sent to SEBI, BSE and Manager to the Offer and in case of a competing offer/s to the Manager/s to the Offer for every competing offer.
- d. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares.

3.2. DETAILS OF THE PROPOSED OFFER

- a. The Public Announcement in connection with the Offer, in accordance with the Regulations 3(1) & 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, 2011 was made by the Manager to the Offer on behalf of Acquirer and PAC on November 19, 2020 and filed with BSE and also filed with SEBI and the Target Company at its Registered Office.
- b. In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, 2011, the Detailed Public Statement was published on November 26, 2020 in the following newspapers:

Publication	Language	Edition
Business Standard	English	All
Business Standard	Hindi	All
Lakshadeep	Marathi	Mumbai

A copy of the PA and DPS are available on the SEBI website at <http://www.sebi.gov.in>.

- c. Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was emailed and filed through the Manager to the Offer with SEBI, BSE and the Target Company.
- d. The Offer is being made by the Acquirer and PAC to the Public Shareholders, in terms of Regulation 7(6) of the SEBI (SAST) Regulations, 2011, to acquire up to 1,95,000 fully paid up Equity Shares, representing 26.00% (Twenty six percent only) of the Voting Share Capital, at a price of INR 29/- (Indian Rupees Twenty Nine only) per Equity Share, payable in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011 subject to the terms and conditions mentioned in the PA, DPS and this Draft Letter of Offer.
- e. As on date, there are no partly paid up Equity Shares in the Target Company. Further, there is no differential pricing for the Offer.
- f. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011 and there has been no competing offer as on the date of this Draft Letter of Offer.
- g. This Offer is unconditional and not subject to any minimum level of acceptance from the Public Shareholders, in terms of Regulation 19(1) of the SEBI (SAST) Regulations, 2011.
- h. The Acquirer will accept the Equity Shares, which are validly tendered in terms of this Offer, up to a maximum of 1,95,000 Equity Shares constituting 26.00% (Twenty six percent only) of the Voting Share Capital of the Target Company. If the aggregate valid responses to this Offer by the public shareholders are more than the Offer Size, then the acceptance would be determined on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.

- i. The Acquirer and PAC have not acquired any shares of the Target Company after the date of PA i.e. November 19, 2020, up to the date of this Draft Letter of Offer.
- j. The Equity Shares of the Target Company acquired by the Acquirer and PAC shall be 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.
- k. As on date, the Manager to the Offer, Pantomath Capital Advisors Private Limited, does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- l. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain minimum public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. Upon completion of the Offer and Underlying Transaction pursuant to the Share Purchase Agreement, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the SEBI (LODR) Regulations, the Acquirer and the PAC undertake to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI (LODR) Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% within twelve months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

3.3. OBJECT OF THE OFFER/ACQUISITION

- a. The Offer is being made to the Public Shareholders in accordance with regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the substantial acquisition of shares, of the Target Company by the Acquirer and PAC in accordance with and subject to the terms of the Share Purchase Agreement.
- b. In terms of regulation 25(2) of the Regulations, the Acquirer and the PAC do not currently have any intention to alienate any material assets of the Target or any of its subsidiaries in the succeeding 2 (two) years from the completion of this Offer save and except:
 - i. in the ordinary course of business; or
 - ii. on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or
 - iii. as has already been disclosed by the Target Company in the public domain.
- c. After the completion of this Offer and pursuant to the transfer of the Sale shares so acquired, the Acquirer and PAC will hold the majority of the Equity Shares by virtue of which they will be in a position to exercise effective management and control over the Target Company.
- d. The Acquirer and PAC reserves the right to streamline/ restructure, pledge/ encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/ operating arrangements, at a later date in accordance with applicable laws. Such decisions will be taken in accordance with procedures set out under applicable law, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.

4. BACKGROUND OF THE ACQUIRER / PAC

- 4.1. Darpan Shah (“Acquirer”) is an individual aged 41 years and is a resident of 1303, Veer Tower, Dev Nagar Society, near Pawar Public School, Kandivali West, Mumbai — 400 067, India; Email ID: darpan79@gmail.com. He holds degree of Bachelors of Commerce from Mumbai

University and also completed Post Graduate Diploma in Foreign Trade from World Trade Center, Mumbai. He is the Founder of Neo Advisors and has experience in the field of Payments (Cross Border Remittances and Ecommerce Business). In the past, he was associated with the companies such as Ford Credit Kotak Mahindra Ltd, J.P. Morgan Services India Private Limited, Times Financial Services, Yes Bank Ltd and IndusInd Bank Ltd.

- 4.2. Devan Pandya (“PAC”) is an individual aged 45 years and is a resident of 401, Sahyog Bldg, Daulat Nagar, Road No. 5, Borivali (E), Mumbai 400066, Maharashtra, India; Email ID: devanpandya@yahoo.com. He is a qualified Chartered Accountant and a member of Institute of Chartered Accountants of India.
- 4.3. Save and except for the PAC, no other person is acting in concert with the Acquirer for the purposes of this Offer.
- 4.4. The net worth of Acquirer is INR 3.04 crores as on September 30, 2020 as certified vide certificate dated November 10, 2020 issued by Dharmesh A. Shah & Associates, Chartered Accountants (Firm Registration No. 0119264W) having office at 1010, Ghanshyam Enclaves, New Link Road, Kandivali (W), Mumbai-400067. The net worth of PAC is INR 5.16 Crores as on November 05, 2020 as certified vide certificate dated November 05, 2020 issued by Kishor Sheth & Co., Chartered Accountants (Membership No. 126818) having office at A/502, V Star Plaza, Chandavarkar Road, Borivali (West), Mumbai 400 092. The Acquirer is not related to PAC.
- 4.5. The Acquirer and PAC are neither the Promoters nor a part of the Promoter Group of the Target Company as on the date of this Draft Letter of Offer. Further, the Acquirer and PAC are not related to the directors, key employees and promoters of the Target Company in any manner whatsoever.
- 4.6. As on the date of this Draft Letter of Offer, the Acquirer neither holds any Equity Share in the Target Company nor has previously acquired any equity share of the Target Company. Therefore the provisions of Chapter V of SEBI (SAST) Regulations, 2011 and/or Chapter II of the SEBI (SAST) Regulations, 1997 are not applicable to him. However, PAC holds 314 equity shares aggregating to 0.04% of the voting share capital of the Target Company. Further, the Acquirer and PAC have not acquired any Equity Shares of the Target Company after the date of the PA.
- 4.7. The Acquirer and PAC have not entered into any formal agreement with respect to the acquisition of shares through this Offer and are acting together under an informal understanding.
- 4.8. As on the date of this Draft Letter of Offer, the Acquirer and PAC do not hold any position on the board of directors of any listed Company.
- 4.9. The Acquirer and PAC have confirmed that they are not categorized as a ‘wilful defaulter’ in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations, 2011 and have 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 regulations made under the SEBI Act.
- 4.10. The Acquirer and PAC have confirmed that they have not been declared as fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

5. BACKGROUND OF TARGET COMPANY

- 5.1 The Target Company is a public limited company which was incorporated under the provisions of the Companies Act, 1956 on November 21, 1981, at Mumbai. The name of the Target Company has not undergone any change in the last 3 years.
- 5.2 The registered office of the Target Company is situated at 9, Popat Bapa Shopping Centre, 2nd Floor, Station Road, Santacruz (West), Mumbai, Maharashtra, 400054. The Corporate Identity Number (CIN) of the Target Company is L51900MH1981PLC025677.

- 5.3 The authorised share capital of the Target Company is INR 1,00,00,000 (Indian Rupees One Crore only) comprising of 10,00,000 (Ten Lakhs only) equity shares of INR 10 (Indian Rupees Ten only) each. The issued, subscribed and fully paid-up equity share capital of the Target Company is INR 75,00,000 (Indian Rupees Seventy Five Lakhs only) comprising of 7,50,000 (Seven Lakh Fifty Thousand only) equity shares of INR 10 (Indian Rupees Ten only) each. The Target Company does not have partly paid-up equity shares.
- 5.4 As on date, the Target Company does not have any partly paid-up equity shares and there are no outstanding convertible securities, depository receipts, warrants, options or similar instruments, issued by the Target Company, convertible into equity shares at a later stage. As on date, none of the Equity Shares are under lock-in period.
- 5.5 The Equity Shares are presently listed on BSE (Scrip Code: 512103). The ISIN of the Equity Shares of the Target Company is INE276H01013.

5.6 **Share Capital Structure:**

The Equity Share capital structure of the Target Company is as follows:

Paid-up Equity Shares	No. of Equity Shares/Voting Rights	% Equity Shares/Voting Rights
Fully paid-up Equity Shares	7,50,000	100%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	7,50,000	100%
Total Equity Shares/Voting Rights in Target Company	7,50,000	100%

- 5.7 All the outstanding Equity Shares of the Target Company are admitted for trading at BSE.
- 5.8 As on date, the trading in Equity Shares of Target Company is not suspended on BSE.
- 5.9 As on date, no Equity Shares of the Target Company are under lock-in.
- 5.10 **Details of the Board of Directors of Target Company:**

As on date, the Directors representing the Board of Target Company are:

Name of Director	Designation	Date of Appointment	(DIN)
Rajkumar Thard	Director	July 31, 2020	00659626
Nidhi Abhinav Aggarwal	Managing Director	July 31, 2020	00785248
Pushpa R Thard	Director	August 08, 1994	00659717
Rajesh Raichand Chheda	Independent Director	September 28, 2020	03406572
Vineetkumar Shatrughna Mishra	Independent Director	September 28, 2020	06789301

None of the above Directors are representative of the Acquirer and PAC.

- 5.11 There has been no merger / de-merger or spin off in the Target Company during the past three years.
- 5.12 The Key Financial Information of the Target Company, based on audited financial statements for the Financial Year(s) ended March 31, 2020, March 31, 2019 and March 31, 2018 and Limited Review Unaudited Financials for the half year ended September 30, 2020 are as follows:

Profit & Loss Statements

(INR in 000, except per share data)

Particulars	Half Year ended September 30, 2020	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
Income from Operations	6.03	732.36	299.10	214.35
Other Income	1,423.71	597.79	812.37	1,272.09
Total Income	1,429.74	1,330.15	1,111.47	1,486.44
Total Expenditure	671.61	4,632.10	893.28	1,907.30
Profit before Depreciation Interest and Tax	758.13	-3,301.96	218.19	-420.86
Depreciation	-	13.00	7.82	7.82
Interest	0.03	0.95	0.83	0.69
Profit/(loss) before Tax	758.10	-3,315.91	209.54	-429.37
Provision for Tax	548.00	605.92	-276.81	-
Profit/ (Loss) after Tax	1,306.10	-2,709.98	-67.27	-429.37

Balance Sheet Statement

(INR in 000, except per share data)

Particulars	Half Year ended September 30, 2020	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019	Financial Year ended March 31, 2018
Sources of fund				
Paid-up share capital	7,500.00	7,497.70	7,497.70	7,497.70
Reserves & Surplus (excluding revaluation reserves)	14,289.97	12,983.60	15,693.58	15,808.62
Net Worth	21,789.97	20,481.30	23,191.28	23,306.32
Long Term borrowings	-	-	-	-
Other Non-Current Liabilities	-	548.25	1,154.17	877.36
Short Term borrowings	-	-	-	-
Other current liability and provisions	35.89	259.26	198.21	182.55
Total	21,825.86	21,288.80	24,543.65	24,366.22
Uses of funds				
Fixed assets	10.12	10.12	23.12	30.94
Other Non-Current assets	7,389.52	20,683.81	23,005.47	23,255.85
Current Assets	14,426.22	594.87	1,515.06	1,079.42
Total miscellaneous expenditure not written off	-	-	-	-
Total	21,825.86	21,288.80	24,543.65	24,366.22
Other Financial Data				
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share	1.7	-3.6	-0.1	-0.6

5.13 Pre and Post-Offer Shareholding Pattern of the Target Company as on September 30, 2020 is as follows:

Shareholders' category	Shareholding & voting rights prior to the SPA/ acquisition and Offer.		Shares and voting rights acquired pursuant to the SPA		Shares and voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any	4,65,712	62.09	-	-	-	-	Nil	Nil
b. Promoters other than (a) above*	27,730	3.70	-	-	-	-	27,730	3.70

Shareholders' category	Shareholding & voting rights prior to the SPA/ acquisition and Offer.		Shares and voting rights acquired pursuant to the SPA		Shares and voting rights to be acquired in the Offer (assuming full acceptance)		Shareholding / voting rights after the acquisition and Offer.	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
Total 1(a+b)	4,93,442	65.79	-	-	-	-	27,730	3.70
(2) Acquirer and PAC								
a. Acquirer – Darpan Shah	-	-	2,25,184	30.02	1,95,000	26.00	4,20,184	56.02
b. PAC – Devan Pandya	314	0.04	2,40,528	32.07	-	-	2,40,842	32.11
Total 2(a+b)	314	0.04	4,65,712	62.09	1,95,000	26.00	6,61,026	88.13
(3) Parties to agreement other than(1) (a) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to SPA, Acquirer and PAC)	2,56,244	34.17	-	-	(1,95,000)	(26.00)	61,244	8.17
GRAND TOTAL (1+2+3+4)	7,50,000	100	-	-	-	-	7,50,000	100

*Company has made an application to the BSE Limited for reclassification of promoter to the public category.

5.14 Details of Compliance Officer:

Nehashree Rathi

9, Popat Bapa Shopping Centre, 2nd Floor, Station Road, Santacruz (West), Mumbai, Maharashtra, 400054

Tel.: +91 22 26491040

E-mail: pushpraj0201@gmail.com

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. JUSTIFICATION OF OFFER PRICE

- This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company.
- The Offer is made pursuant to the execution of the SPA for the acquisition of more than 25% (Twenty Five percent only) of the Equity Shares and voting rights, accompanied with a change in control of the Target Company.
- The Equity Shares of the Target Company are presently listed and permitted to trade on BSE (Security ID: NIDHIGRN; Security Code: 512103). The International Securities Identification Number ('ISIN') of the Equity Shares of the Target Company is INE276H01013.
- The trading turnover in the Equity Shares based on the trading volume during the twelve calendar months prior to the calendar month in which the PA was made (November 01, 2019, to October 31, 2020) is as under:

Name of Stock Exchange	No. of Equity Shares Traded (A)	Number of Listed Equity Shares (B)	Trading Turnover (in terms of % to listed equity shares) (A/B)
BSE	14,084	7,50,000	1.88%

(Source: www.bseindia.com)

Based on the above, the Equity Shares are infrequently traded on the BSE, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.

- The Offer Price determined in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, 2011, considering the following:

Sr. No.	Particulars	Price (INR)
1.	Negotiated Price under the SPA	26.00

Sr. No.	Particulars	Price (INR)
2.	The volume weighted average price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3.	The highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA	Not Applicable
4.	The volume weighted average market price per equity share for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange (in case of frequently traded shares only)	Not Applicable
5.	Where the shares are not frequently traded, the price determined by 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 shares of such companies – As at September 30, 2020	28.78/- (rounded off to 29/-)
6.	The per equity share value computed under Regulation 8(5), if applicable.	Not Applicable

- f. In view of the parameters considered and presented in table above, in the opinion of the Acquirer and PAC and Manager to the Offer, the Offer Price of INR 29.00 (Indian Rupees Twenty Nine only) per share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.
- g. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8 of the SEBI (SAST) Regulations, 2011. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of Tendering period.
- h. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and PAC during the Offer Period, at a price higher than the Offer Price, the Offer Price will stand revised equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011. However, the Acquirer and PAC will not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- i. If the Acquirer and PAC acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011 or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.
- j. As on date, there has been no revision in Offer Price and/or Offer Size.
- k. The Offer Price is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and/or PAC at any time prior to the commencement of 1 (one) working day prior to the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and/or the PAC shall make corresponding increases to the escrow amounts in accordance with Regulation 18(5) of the SEBI (SAST) Regulations and the Acquirer and the PAC shall (i) make a public announcement in the same newspapers in which this DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

6.2. DETAILS OF FIRM FINANCIAL ARRANGEMENTS

- a. Assuming full acceptance of the Offer, the total consideration for the Offer i.e for the acquisition of up to 1,95,000 Equity Shares at the Offer Price of INR 29/- per Equity Share, is INR 56,55,000/- (“**Maximum Consideration**”).
- b. 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 the Offer in full out of his own sources/ net worth in the normal course of business.
- c. The Acquirer has confirmed that he has adequate financial resources to meet the obligations under the Offer. The Acquirer, the Manager and IndusInd Bank Limited, a banking corporation incorporated under the laws of India, acting through its branch office at Premises no. 61, Sonawala Building, Mumbai Samachar Marg, Fort, Mumbai – 400 001, have entered into an escrow agreement dated November 19, 2020 for the purpose of the Offer (“**Escrow Agreement**”). Pursuant to the Escrow Agreement and in compliance with Regulation 17(1) of the SEBI (SAST) Regulations the Acquirer has opened an escrow account named “NIDHI GRANITES LIMITED-OPEN OFFER ESCROW ACCOUNT” (the “**Open Offer Escrow Account**”) bearing account number 251299808087. The Acquirer has on November 23, 2020 made a cash deposit of a sum of INR 56,55,000/- in the Open Offer Escrow Account (“**Cash Escrow**”) which is an equivalent to 100% of the value of the Maximum Consideration, as confirmed by IndusInd Bank Limited by way of letter dated November 23, 2020. The Manager is duly authorised by the Acquirer to realise the value of the Escrow Account and operate the Escrow Account in terms of the SEBI (SAST) Regulations.
- d. The Acquirer has confirmed that he has adequate financial resources to meet the obligations under the Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
- e. Dharmesh A. Shah & Associates, Chartered Accountants (Firm Registration No. 0119264W) having office at 1010, Ghanshyam Enclaves, New Link Road, Kandivali (W), Mumbai-400067 have certified vide certificate dated November 07, 2020 that sufficient resources, based on the net-worth position, are available with the Acquirer for fulfilling his obligations under this Offer in full.
- f. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfil his obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations, 2011.
- g. In case of any upward revision in the Offer Price or the Offer Size, the Acquirer shall deposit additional funds in the Escrow Account as required under the Regulation 17(2) of the SEBI (SAST) Regulations, 2011.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. OPERATIONAL TERMS AND CONDITIONS

- a. This Offer is being made by the Acquirer and PAC to the Public Shareholders of the Target Company, other than the Sellers, who are parties to the Share Purchase Agreement and persons deemed to be acting in concert with Sellers in terms of Regulation 7(6) of the SEBI (SAST) Regulations; other promoters and members of the promoter group of the Target Company; the Acquirer; PAC; and persons deemed to be acting in concert with the Acquirer and PAC.
- b. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations, 2011.
- c. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
- d. This Offer is subject to the terms and conditions set out in the Letter of Offer, this Draft Letter of Offer, the PA, the DPS, and any other Public Announcements that may be issued with respect to the Offer.

- e. The Eligible Public Shareholders of the Target Company who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances and will be acquired by the Acquirer, in accordance with the terms and conditions set forth in the DPS, this Draft Letter of Offer and the terms and conditions which will be set out in the Letter of Offer to be sent to all the Eligible Public Shareholders in relation to this Offer, the relevant provisions of the SEBI SAST Regulations, and applicable laws.
- f. Accidental omission to dispatch the Letter of Offer to any member entitled to this Offer or non-receipt of the Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.
- g. Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance cum acknowledgement or transfer deed. Alternatively, the Letter of Offer along with the Form of Acceptance cum acknowledgement or transfer deed would also be available on the website of SEBI i.e. <http://www.sebi.gov.in>, and shareholders can also apply by downloading such forms from the website.
- h. This Offer is subject to the receipt of the statutory and other approvals as mentioned under paragraph 'Statutory Approvals' of this Draft Letter of Offer. In terms of Regulation 23(1) of the Regulations, if the statutory approvals are refused, the Offer would stand withdrawn.
- i. The Acquirer and PAC reserve the right to revise the Offer Price and/or the Offer Size upwards at any time prior to the commencement of 1 (one) working day prior to the commencement of the tendering period, in accordance with the SEBI (SAST) Regulations, 2011 and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer and PAC would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Letter of Offer.
- j. The Public Shareholders to whom the Offer is being made are free to offer their Equity Shares in the Target Company in whole or in part while accepting the Offer. The acceptance of the Offer must be unconditional, absolute and unqualified.
- k. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- l. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/ restriction from other statutory authorities wherein the shareholder maybe precluded from bidding of such Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of closing of the Offer.
- m. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance.
- n. In the event that the Equity Shares tendered in this Offer by the Public Shareholders are more than the Equity Shares to be acquired in this Offer, the acquisition of the Equity Shares from each Shareholder will be on a proportionate basis.

7.2. LOCKED-IN SHARES

Locked-in shares shall be accepted subject to the continuation of the residual lock -in period in the hands of the Acquirer along with PAC. There shall be no discrimination in the acceptance of locked-in and not locked-in shares.

7.3. ELIGIBILITY FOR ACCEPTING THE OFFER

All the Public Shareholders registered or unregistered, who own fully paid equity shares of the Target Company any time before the closure of the Open Offer are eligible to participate in the Open Offer. However, the Letter of Offer will be dispatched / mailed to those Shareholders whose names appear on the Register of Members of the Target Company at the close of business hours on the Identified Date i.e. December 30, 2020.

7.4. STATUTORY APPROVALS

- a. As on date, to the best of the knowledge and belief of the Acquirer and PAC, there are no statutory or other approvals required to complete the acquisition of the Equity Shares that are tendered pursuant to the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s) and the Acquirer and PAC shall make the necessary applications for such approvals.
- b. All Public Shareholders, including non-resident holders of Equity Shares, must on its own obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted within the Tendering Period, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Offer Shares. The acquisition of the Equity Shares tendered by NRI and OCB are subject to approval/exemption, if applicable, from RBI.
- c. In case of delay in receipt of any statutory approval that may be required by the Acquirer and PAC at a later date, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and PAC to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and PAC 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.
- d. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals which may become applicable prior to completion of the Offer are not received, the Acquirer and PAC shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and PAC (through the Manager to the Offer) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 8.1. The Offer will be implemented by the Acquirer through a Stock Exchange Mechanism made available by BSE Limited in the form of a separate window ("Acquisition Window"), as provided under the SEBI (SAST) Regulations, 2011 and SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 issued by SEBI and notices / guidelines issued by Designated Stock Exchange and the Clearing Corporation in relation to the mechanism / process for acquisition of shares through stock exchange pursuant to the tender offers under takeovers as amended and updated from time to time.

- 8.2. BSE shall be the designated stock exchange (“Designated Stock Exchange”) for the purpose of tendering the Equity Shares in the Offer.
- 8.3. The Acquirer have appointed (“Buying Broker”) as their broker for the Offer through whom the purchases and settlement of the Offer Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

PANTOMATH STOCK BROKERS PRIVATE LIMITED*

CIN: U74110MH2014PTC254979 **Address:** 108, Madhava Premises, Behind Family Court, Bandra Kurla Complex, Bandra East, Mumbai-400051 **Contact Person:** Mahavir Toshniwal
Tel.: 022-42577000; Email: mahavir.toshniwal@pantomathgroup.com

**The Buying Broker is in process of change of its name and its shareholding.*

- 8.4. All the owners of Equity Shares, who desire to tender their Equity Shares under the Offer, would have to approach and intimate their respective stock brokers (“Selling Broker”) during the normal trading hours of the secondary market, during the Tendering Period.
- 8.5. The Acquisition Window will be provided by the Designated Stock Exchange to facilitate placing of sell orders. The Selling Members can enter orders for demat Shares.
- 8.6. 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 opening of the Offer.
- 8.7. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 8.8. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
- 8.9. The Equity Shareholders are requested to note that trading account is mandatory to participate in the Offer irrespective of the Equity Shares are in dematerialised form.
- 8.10. The Equity Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (Know Your Customer/Client (KYC) Compliant).
- 8.11. In the event Selling Broker of the shareholder is not registered with BSE then that shareholder can approach the Buying Broker and tender his/ her Equity Shares through the Buying Broker viz. Pantomath Stock Brokers Private Limited to tender his/ her Equity Shares under the Offer.
- 8.12. **Procedure for tendering Equity Shares held in dematerialised form:**
- i. The Equity Shareholders who are holding the Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Stock Broker (“**Selling Broker**”) indicating details of Shares they wish to tender in the Offer.
 - ii. The Equity Shareholders are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Clearing Corporation. Such Equity Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
 - iii. Shareholders will have to submit Delivery Instruction Slips (“**DIS**”) duly filled in specifying market type as ‘Open Offer’ and execution date along with other details to their respective Stock Broker so that Equity Shares can be tendered in Offer.
 - iv. For Custodian participant order for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by the Custodian. The Custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- v. Upon placing the bid, the Selling Broker(s) shall provide Transaction Registration Slip (“**TRS**”) generated by the Exchange Bidding System to the Shareholders. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No of Shares tendered, etc.
- vi. In case of receipt of Equity Shares in the Special Account of the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted, for demat Shareholders.
- vii. The Equity 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 acceptance in the Offer.
- viii. The Equity Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance.**

8.13. Procedure for tendering Equity Shares held in Physical Form:

In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:

- a. Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- b. Original share certificate(s).
- c. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- d. Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- e. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature).
- f. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
- g. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- h. After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “Nidhi Granites Limited Open Offer”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- i. Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.

- j. In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- k. Eligible Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Eligible Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

8.14. Procedure for tendering the shares in case of non-receipt of Letter of Offer:

- a. Eligible Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- b. An Eligible Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Draft Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum Acknowledgement will be dispatched to all the Eligible Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.
- c. In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, www.sebi.gov.in, and Eligible Shareholders can also apply by downloading such forms from the said website.

8.15. Acceptance of Shares:

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and PAC shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

8.16. Settlement Process:

- i. On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Shares transferred to the Clearing Corporation.
- ii. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- iii. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account which will be provided by the Acquirer and PAC.
- iv. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation.
- v. In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the

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

- vi. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.

8.17. Settlement of Funds / Payment Consideration:

- a) On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- b) The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
- c) For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Eligible Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Eligible Shareholders. The Eligible Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
- d) The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- e) The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
- f) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- g) Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholder(s) directly by Registrar to the Offer
- h) The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker.
- i) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirers.
- j) In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- k) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.

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

9. COMPLIANCE WITH TAX REQUIREMENTS

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS ("DTAA") WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS AND MANAGER TO OFFER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

- a. The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax ("Taxpayer") during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31. A person who is a resident in terms of Indian Income Tax Act, 1961, ("IT Act") he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself. A person who is treated as a non-resident for the purpose of 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 be accrued 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".
- b. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under IT Act.

- c. A Taxpayer who is non-resident for tax purpose under Indian IT Act can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”), between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including: a. those set out in limitation of benefits provisions present in the said DTAA (if any), b. the non-applicability of General Anti-Avoidance Rules, and c. providing and maintaining necessary information and documents as prescribed under the Income-tax Act.
- d. The summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.
- e. As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.
- f. Gains arising from the transfer of equity shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).
- g. 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.
- h. 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 financial 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.

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

- i. 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 Securities Transaction Tax (“STT”) upon both buy 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 computed on gains exceeding ₹ 1,00,000 (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 as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- ii. 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).
- iii. Any applicable surcharge and education cess would be in addition to above applicable tax rates.
- iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer.
- v. 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 dealers/ tax advisors appropriately.

THE TAX IMPLICATIONS ARE BASED ON PROVISIONS OF THE IT ACT AS APPLICABLE AS ON DATE OF THIS DRAFT LETTER OF OFFER. 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. 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.

10. DOCUMENTS FOR INSPECTION

The copies of the following documents shall be available for inspection to the Public Shareholders at the office of the Manager to the Offer, Pantomath Capital Advisors Private Limited, situated at 406-408, Keshava Premises, Behind Family Court, Bandra – Kurla Complex, Bandra – East, 400 051, on any working day (except Saturdays, Sundays and bank holidays) between 10.30 a.m. to 1.00 p.m. during the period from the Date of Commencement of the Tendering Period till the Date of Closing of the Tendering Period.

- i. Copy of Share Purchase Agreement dated November 19, 2020, entered by and among the Acquirer, PAC and the Sellers, which triggered this Offer.
- ii. Certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- iii. Annual Reports of the Target Company for the financial years ending March 31, 2018, March 31, 2019 and March 31, 2020 and Limited Review Unaudited Financials for the half year ended September 30, 2020.
- iv. Certificate dated November 10, 2020 issued by Dharmesh A. Shah & Associates, Chartered Accountants (Firm Registration No. 0119264W) having office at 1010, Ghanshyam Enclaves, New Link Road, Kandivali (W), Mumbai-400067, certifying the net worth of Acquirer.
- v. Certificate dated November 05, 2020 issued by Kishor Sheth & Co., Chartered Accountants (Membership No. 126818) having office at A/502, V Star Plaza, Chandavarkar Road, Borivali (West), Mumbai 400 092, certifying the net worth of PAC.
- vi. Certificate dated November 07, 2020, issued by Dharmesh A. Shah & Associates, Chartered Accountants (Firm Registration No. 0119264W) having office at 1010, Ghanshyam Enclaves, New Link Road, Kandivali (W), Mumbai-400067, certifying that the Acquirer has firm and adequate financial resources to meet the financial obligations under the Offer.
- vii. Escrow Agreement between the Acquirer, Manager to the Offer and the Escrow Bank, IndusInd Bank Limited dated November 19, 2020.
- viii. Letter dated November 23, 2020 from IndusInd Bank Limited confirming the amount deposited in the Escrow Account.
- ix. Public Announcement dated November 19, 2020 and published copy of Detailed Public Statement, which appeared on November 26, 2020, Offer Opening Public Announcement dated [●].
- x. Copy of the recommendation made by the independent directors of the Board of Directors of the Target Company as required in terms of Regulation 26(7) of SEBI (SAST) Regulations, 2011.
- xi. Observation Letter No. [●] dated [●] issued by SEBI.

11. DECLARATION BY THE ACQUIRER AND PAC

The Acquirer and PAC accept full responsibility, jointly and severally, for the information contained in the PA, the DPS and this Draft Letter of Offer other than such information as has been obtained from public sources or provided or confirmed by the Target Company and also for ensuring the compliance with the obligations of the Acquirer and PAC as laid down in terms of the SEBI (SAST) Regulations, 2011.

We, the Acquirer and PAC, have made all reasonable inquiries, accept responsibility jointly and severally, and confirm that this Draft Letter of Offer is in compliance with the SEBI (SAST) Regulations, 2011, and that it contains all information with regard to the Offer, which is material in the context of the

Offer, that the information contained in this Draft Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

The Manager to the Offer hereby states that the person(s) signing this Draft Letter of Offer is the Acquirer and PAC or duly and legally authorized person of the Acquirer and PAC to sign this DLoF.

On behalf of the Acquirer

Sd/-

Darpan Shah

On behalf of the PAC

Sd/-

Devan Pandya

Place: Mumbai

Date: December 04, 2020