



September 9, 2021

<b>BSE Limited</b> Corporate Relations P. J. Towers, Dalal Street, Mumbai- 400 001	<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051
--	---

Dear Sir/Madam,

**Sub.: Open offer by Trinity Infraventures Limited (“Acquirer”) to the public shareholders of Goldstone Technologies Limited (“Target Company”) for acquisition of equity shares pursuant to regulation 3(1) and other applicable provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amendment (“Takeover Regulations”) (“Offer”).**

This has reference to the captioned Offer and our letters dated August 26, 2021 and September 2, 2021 for submission of Public Announcement and Detailed Public Statement, respectively.

In terms of Regulation 18(1) of Takeover Regulations, please find enclosed a hard copy of Draft Letter of Offer dated September 9, 2021 (“DLOF”). We have already emailed soft copy of the DLOF on September 9, 2021.

The final Letter of Offer to be issued to the public shareholders of the Target Company is subject to the approval of Securities and Exchange Board of India.

Yours faithfully,

**For IIFL Securities Limited**

*Pinak Rudra Bhattacharyya*  
**Name:** PINAK RUDRA BHATTACHARYYA  
**Designation:** SVP

Encl: As above.



**IIFL Securities Limited (Formerly "India Infoline Limited")**  
Corporate Identity Number: L99999MH1996PLC132983

IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai – 400013. Tel: +91 22 4646 4600 Fax: +91 22 2493 1073  
Regd. Office: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400 604  
Tel: (91-22) 3929 4000/ 4103 5000 • Fax: (91-22) 2580 6654 • E-mail: info.ib@iiflcap.com; csteam@iifl.com  
• Website: www.iiflcap.com; www.indiaonline.com

**DRAFT LETTER OF OFFER (“DLOF”)**

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

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

**OPEN OFFER BY**

**TRINITY INFRAVENTURES LIMITED (“Acquirer”)**

**Registered Office:** 6/10 Shanti Niketan, New Delhi - 110 021, India; **Email id:** info\_til@yahoo.in. **Tel No.:** 91-11-24110561 ; **Fax No.:** 91-11-24111153;

**Corporate Office:** 9-1-83&84, Amarchand Sharma Complex, S. D. Road, Secunderabad-500003, Telangana, India.

Ph.+91-40-27806706 / 1298

**Corporate Identification Number:** U00063DL1992PLC140198

To the Eligible Shareholder(s) of

**GOLDSTONE TECHNOLOGIES LIMITED (“Target Company”)**

**Registered Office:** 1st Floor, GNR's RV Insignia Building, Image Garden Road, Madhapur, Hyderabad, Rangareddi, Telangana – 500 081.

**Tel. No.:** +91 40 6628 4999; **Email:** cs@goldstonetech.com; **Website:** www.goldstonetech.com;



**Corporate Identification Number:** L72200TG1994PLC017211

to acquire upto **89,91,338** (Eighty Nine Lakh Ninety One Thousand Three Hundred And Thirty Eight) fully paid Equity Shares of face value of **₹ 10/-** each (“**Offer Shares**”) representing **26%** (Twenty Six per cent) of the Expanded Voting Share Capital of the Target Company on a fully diluted basis, 10th (tenth) working day from the closure of the Tendering Period, for cash at a price of **₹ 14.30** (Rupees Fourteen and Thirty Paise Only) per Equity Share (“**Offer Price**”).

**Please Note:**

1. This Offer is being made by the Acquirer pursuant to Regulation 3(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations, 2011**”).
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. To the best of the knowledge of the Acquirer, as on the date of this Draft Letter of Offer, there are no statutory approvals required for the purpose of implementing this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price and/or Offer Size by the Acquirer, at any time upto 1 (one) Working Day prior to the commencement of the Tendering Period i.e. **Wednesday, October 20, 2021** the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirer for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) Working Days by an announcement in the same newspapers in which the Detailed Public Statement was published.
7. A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer are also available on SEBI’s website: www.sebi.gov.in.

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

	
<b>IIFL SECURITIES LIMITED</b> 10 <sup>th</sup> Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, Maharashtra <b>Tel. No.:</b> +91 22 4646 4600 <b>Fax No.:</b> +91 22 2493 1073 <b>E-mail id:</b> gtl.openoffer@iiflcap.com <b>Contact Person:</b> Nishita Mody/ Mukesh Garg <b>SEBI Registration Number:</b> INM000010940	<b>LINK INTIME INDIA PRIVATE LIMITED</b> C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India <b>Tel. No.:</b> +91 22 4918 6200 <b>Fax No.:</b> +91 22 4918 6195 <b>Email id:</b> goldstone.offer@linkintime.co.in <b>Contact Person:</b> Sumeet Deshpande <b>SEBI Registration Number:</b> INR000004058

---

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER**

---

<b>Activity</b>	<b>Day and Date<sup>#</sup></b>
Public Announcement	Thursday, August 26, 2021
Publication of DPS in the newspapers	Thursday, September 2, 2021
Last date of filing of the draft letter of offer with SEBI	Thursday, September 9, 2021
Last date for a competitive bid	Friday, September 24, 2021
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Friday, October 1, 2021
Identified Date*	Tuesday, October 5, 2021
Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company whose names appear on the register of members on the Identified Date	Tuesday, October 12, 2021
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Monday, October 18, 2021
Last date for revising the Offer Price/ Offer Size	Wednesday, October 20, 2021
Last date of publication of Offer Opening Public Announcement	Wednesday, October 20, 2021
Date of commencement of Tendering Period (Offer Opening Date)	Thursday, October 21, 2021
Date of Expiry of Tendering Period (Offer Closing Date)	Wednesday, November 3, 2021
Last Date for completion of all requirements including payment of consideration	Monday, November 22, 2021
Last date for publication of post Open Offer public announcement in the newspapers in which this DPS has been published	Monday, November 29, 2021

*\*The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the letter of offer ("Letter of Offer") would be sent. It is clarified that all the Public Shareholders of the Target Company (registered or unregistered, except the Acquirer and Promoter and Promoter Group of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Open Offer.*

*# The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations, 2011) and may have to be revised accordingly.*

## RISK FACTORS

### I. RISK FACTORS RELATING TO THE TRANSACTION

- As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. As per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders for delay beyond 10<sup>th</sup> Working Day from the date of Closure of Tendering Period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the Public Shareholders, the Acquirer shall have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such Public Shareholders. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011 in the event the requisite statutory approvals that may be necessary at a later date are refused.
- If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

### II. RISKS RELATING TO THE OFFER

- This Open Offer is an offer to acquire not more than 26% of the Expanded Voting Share Capital of the Target Company from the Eligible Shareholders. In the case of Equity Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- In the event that either: (a) regulatory or statutory approvals are not received in time; (b) there is any litigation leading to a stay/ injunction on the Offer or that restricts/ restrains the Acquirer from performing their obligations hereunder; or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that non-receipt of approvals was not due to any willful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer will be held in the special account of the Clearing Corporation on behalf of Eligible Shareholders till the process of acceptance of tender and the payment of consideration is completed. The Eligible Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirer makes no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Draft Letter of Offer/ Detailed Public Statement/ Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirer, or the Manager to the Offer) would be doing so at his/ her/ their own risk.
- Eligible Shareholders should note that the shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of this Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or

regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.

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

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

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

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

---

## INDEX

---

<i>Sr. No.</i>	<i>Description</i>	<i>Page No.</i>
I.	Key Definitions	6
II.	Disclaimer Clause	8
III.	Details of the Open Offer	9
IV.	Object of the Acquisition/ Offer	11
V.	Background of the Acquirer	12
VI.	Background of the Target Company	15
VII.	Offer Price and Financial Arrangements	18
VIII.	Terms and Conditions of the Open Offer	20
IX.	Procedure for Acceptance and Settlement of the Open Offer	23
X.	Note on Taxation	29
XI.	Documents for Inspection	30
XII.	Declaration by the Acquirer	31

## I. Key Definitions

<b>Acquirer</b>	Trinity Infraventures Limited having registered office at 6/10 Shanti Niketan, New Delhi - 110 021, India
<b>Board of Directors</b>	Board of Directors of the Target company
<b>BSE</b>	BSE Limited
<b>Buying Broker</b>	Stock broker appointed by the Acquirer for the purpose of this Open Offer <i>i.e.</i> IIFL Securities Limited
<b>CDSL</b>	Central Depository Services (India) Limited
<b>Companies Act</b>	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted or replaced from time to time.
<b>Depositories</b>	CDSL and NSDL
<b>Deemed Person Acting in Concert</b>	As per the definition under Regulation 2(1)(q) of SEBI (SAST) Regulations, 2011, all members forming part of promoter and promoter group of the Target Company, excluding the Acquirer are deemed to be persons acting in concert with the Acquirer. None of the Deemed Persons Acting in Concert is concerned or interested in the Offer.
<b>Detailed Public Statement/ DPS</b>	Detailed Public Statement dated September 1, 2021 issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all editions of Financial Express (English), Janasatta (Hindi), Navshakti (Marathi) and Nava Telangna (Telgu) on September 2, 2021 in accordance with the Regulation 3(1) read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the SEBI (SAST) Regulations, 2011.
<b>DIN</b>	Director Identification Number
<b>DP</b>	Depository participant
<b>DLOF/ Draft Letter of Offer</b>	This Draft Letter of Offer dated September 9, 2021
<b>Eligible Shareholders / Public Shareholders</b>	All owners (registered or unregistered) of Equity Shares of the Target Company (except Acquirer and Deemed Persons Acting in Concert) are eligible to participate in the Offer any time before the closure of the Offer
<b>EPS</b>	Earnings Per Share calculated as Profit after tax divided by Number of equity shares issued
<b>Equity Share(s)/ Share(s)</b>	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees Ten) per equity share
<b>Escrow Agreement</b>	Escrow Agreement dated August 26, 2021 entered into between the Acquirer, Escrow Agent and Manager to the Offer
<b>Escrow Bank / Escrow Agent</b>	ICICI Bank Limited
<b>Existing Voting Share Capital</b>	The present fully paid-up equity share capital and voting capital <i>i.e.</i> 1,87,82,066 Equity Shares of the Target Company as on the date of this Draft Letter of Offer
<b>Expanded Voting Share Capital</b>	The total voting equity share capital <i>i.e.</i> 3,45,82,066 Equity Shares of the Target Company computed on a fully diluted basis as of the 10 <sup>th</sup> (tenth) working day from the closure of the Tendering Period. This comprises of the Existing Voting Share Capital of the Target Company <i>i.e.</i> 1,87,82,066 Equity Shares and proposed Preferential Issue of (i) 1,51,00,000 Equity Shares proposed to be allotted to the Acquirer (part of promoter and promoter group of the Target Company) and (ii) 7,00,000 Equity Shares proposed to be allotted to Mr. Srinivas Pagadala, a public shareholder.
<b>FEMA</b>	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
<b>FOA/Form of Acceptance</b>	Form of Acceptance-cum-Acknowledgement
<b>FII(s)</b>	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, 1961 which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
<b>Identified Date</b>	Tuesday, October 5, 2021 <i>i.e.</i> , the date falling on the 10 <sup>th</sup> (tenth) Working Day prior to the commencement of the Tendering Period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent
<b>Letter of Offer/ LOF</b>	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer
<b>Manager to the Offer</b>	IIFL Securities Limited
<b>NRI</b>	Non-Resident Indian as defined in Foreign Exchange Management

	(Deposit) Regulations, 2000, as amended.
<b>NSE</b>	National Stock Exchange of India Limited
<b>NSDL</b>	National Securities Depository Limited
<b>OCB</b>	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
<b>Offer/Open Offer</b>	89,91,338 (Eighty Nine Lakh Ninety One Thousand Three Hundred And Thirty Eight) fully paid Equity Shares of face value ₹ 10/- each representing 26% of the Expanded Voting Share Capital of the Target Company at a price of ₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per Equity Share payable in cash.
<b>Offer Consideration/ Maximum Consideration</b>	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 12,85,76,133.40 (Rupees Twelve Crore Eighty Five Lakhs Seventy Six Thousand One Hundred Thirty Three and Forty Paise Only)
<b>Offer Period</b>	Period commencing from August 26, 2021 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
<b>Offer Price</b>	₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per Equity Share.
<b>Offer Size / Offer Shares</b>	89,91,338 (Eighty Nine Lakh Ninety One Thousand Three Hundred And Thirty Eight) fully paid Equity Shares of face value of ₹ 10/- each representing 26% of the Expanded Voting Share Capital of the Target Company.
<b>Preferential Issue</b>	The Board of Directors of the Target Company, at their meeting held on August 26, 2021 have authorized a preferential allotment of upto 1,51,00,000 (One Crore Fifty One Lakh) fully paid up Equity Shares of face value of ₹ 10/- each ("Issue Shares") on preferential basis representing 43.66% of Expanded Voting Share Capital of the Target Company for cash at a price of ₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per fully paid up Equity Share .
<b>Promoter and Promoter Group</b>	Shall mean (i) Trinity Infraventures Limited; (ii) Mrs. L Preetha Priyadarshini; and (iii) Mr. L P Sashikumar.
<b>Public Announcement/PA</b>	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on August 26, 2021 in accordance with SEBI (SAST) Regulations, 2011.
<b>RBI</b>	Reserve Bank of India
<b>Registrar to the Offer</b>	Link Intime India Private Limited
<b>SCRR</b>	Securities Contract (Regulations) Rules, 1957, as amended
<b>SEBI</b>	Securities and Exchange Board of India
<b>SEBI Act</b>	Securities and Exchange Board of India Act, 1992, as amended
<b>SEBI ICDR Regulations, 2018</b>	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto
<b>SEBI (SAST) Regulations, 2011</b>	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof.
<b>Selling Broker</b>	Respective stock brokers of all Eligible Shareholders who desire to tender their Shares under the Open Offer
<b>Stock Exchanges</b>	BSE Limited and National Stock Exchange of India Limited
<b>SEBI LODR, 2015</b>	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto.
<b>Target Company</b>	Goldstone Technologies Limited having its registered office at 1 <sup>st</sup> Floor, GNR's RV Insignia Building, Image Garden Road, Madhapur, Hyderabad, Rangareddi, Telangana – 500 081
<b>Tendering Period</b>	Thursday, October 21, 2021 to Wednesday, November 3, 2021
<b>Working Day</b>	Working days of SEBI

## II. DISCLAIMER CLAUSE



**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF GOLDSTONE TECHNOLOGIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR OF THE TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, IIFL SECURITIES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED [SEPTEMBER 9, 2021] TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”**

### III. DETAILS OF THE OPEN OFFER

#### A) Background of the Offer

1. The Open Offer is a mandatory offer made in compliance with Regulation 3(1) of the SEBI (SAST) Regulations, 2011, pursuant to the substantial acquisition of Equity Shares and voting rights by the Acquirer under the Preferential Issue.
2. As on the date of PA, the Acquirer holds 34,19,872 Equity Shares of the Target Company representing 18.21% of the Existing Voting Share Capital of the Target Company. The Acquirer forms part of the Promoter and Promoter Group of the Target Company. The members of Promoter and Promoter Group of the Target Company holds 35,34,153 Equity Shares of face value of ₹ 10/- each representing 18.82% of the Existing Voting Share Capital of the Target Company.
3. The Board of Directors of the Target Company, at their meeting held on August 26, 2021 has authorized a preferential allotment of upto 1,51,00,000 (One Crore Fifty One Lakh) fully paid up Equity Shares of face value of ₹ 10/- each (“**Issue Shares**”) on preferential basis representing 43.66% of the Expanded Voting Share Capital of the Target Company for cash at a price of ₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per fully paid up Equity Share (“**Preferential Issue**”) for a consideration aggregating to ₹ 21,59,30,000/- (Rupees Twenty One Crore Fifty Nine Lakhs Thirty Thousand Only) to the Acquirer in compliance with the provisions of Companies Act, 2013 (“**Act**”) and Chapter V of SEBI ICDR Regulations, 2018.
4. The consent of the members of the Target Company for the proposed preferential allotment is being sought through issuance of notice of annual general meeting to be held on September 27, 2021. The Target Company will declare the voting results of the annual general meeting within the statutory prescribed timeline.
5. As a result of the proposed Preferential Issue, the shareholding of the Acquirer will cross the threshold limit of 24.99% as specified in Regulation 3(1) of the SEBI (SAST) Regulations, 2011. The same is presented in the table given below:

Particulars	Pre-Preferential Issue Shareholding		No. of Equity Shares proposed to be allotted under Preferential Issue	Post-Preferential Issue Shareholding		Incremental % of voting rights
	No. of Equity Shares	% of Existing Voting Share Capital		No. of Equity Shares	% of Expanded Voting Share Capital	
Acquirer	34,19,872	18.21	1,51,00,000	1,85,19,872	53.55	35.35
Promoter and promoter Group (excluding Acquirer)	1,14,281	0.61	-	1,14,281	0.33	(0.28)
<b>Total</b>	<b>35,34,153</b>	<b>18.82</b>	<b>1,51,00,000</b>	<b>1,86,34,153</b>	<b>53.88</b>	<b>35.07</b>

6. Pursuant to the Preferential Issue, this mandatory Offer is being made by the Acquirer in compliance with Regulation 3(1) of SEBI (SAST) Regulations, 2011.
7. The Equity Shares proposed to be issued under the Preferential Issue, if allotted to the Acquirer during the offer period, shall be kept in a separate 'DP Escrow Account' in compliance with Regulation 22(2A) of the SEBI (SAST) Regulations, 2011. The Registrar to the Offer will have the right to operate the DP Escrow Account and the Acquirer will not exercise any voting rights over the said Equity Shares kept in the DP Escrow Account. Upon fulfillment of all the Open Offer related formalities, the said Equity Shares will be transferred to the depository participant account of the Acquirer and the DP Escrow Account will be closed thereafter.
8. In accordance with Regulation 26(7) of the SEBI (SAST) Regulations, 2011, the Committee of Independent Directors on the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared at least 2 Working Days before the commencement of the Tendering Period *i.e.* Monday, October 18, 2021.

9. Acquirer forms part of the Promoter and Promoter Group of the Target Company and hence there is no change in management control contemplated pursuant through this Open Offer.
10. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company.

**B) Details of the proposed Open Offer:**

1. The Public Announcement announcing the Open offer, under Regulation 3(2) was made on August 26, 2021 to BSE and NSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office.
2. The Acquirer has published the DPS on Thursday, September 2, 2021 which appeared in the following newspapers:

Sr. No.	Newspapers	Language	Editions
1	Financial Express	English	All Edition
2	Jansatta	Hindi	All Edition
3	Navshakti	Marathi	Mumbai Edition
4	Nava Telangana	Telgu	Hyderabad Edition

A copy of the DPS is also available on the SEBI's website: [www.sebi.gov.in](http://www.sebi.gov.in). Simultaneously, in accordance with the provisions of Regulation 14(4) of SEBI (SAST) Regulations, 2011, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; (iii) NSE and (iv) the registered office of the Target Company on September 2, 2021.

3. This Open Offer is being made to all the equity shareholders of Target Company other than Acquirer and Deemed Persons Acting in Concert of the Target Company to acquire up to 89,91,338 (Eighty Nine Lakh Ninety One Thousand Three Hundred And Thirty Eight) fully paid Equity Shares of face value ₹ 10/- each ("**Offer Shares**") representing 26% (Twenty Six per cent) of the Expanded Voting Share Capital of the Target Company, at a price of ₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per Equity Share ("**Offer Price**"), aggregating to ₹ 12,85,76,133.40 (Rupees Twelve Crore Eighty Five Lakhs Seventy Six Thousand One Hundred Thirty Three and Forty Paise Only) ("**Open Offer**").
4. The Offer Price has been arrived in accordance with Regulation 8 of the SEBI (SAST) Regulations, 2011 and payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
5. There are no partly paid-up Equity Shares and outstanding convertible securities in the Target Company.
6. This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations, 2011. Further, there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
7. There is no differential pricing for this Open Offer.
8. The Equity Shares of the Target Company will be acquired by the Acquirer under the Offer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
9. To the best of the knowledge and belief of the Acquirer, as on the date of this Draft Letter of Offer, there are no statutory or other approvals required to implement the Offer other than as indicated in section VII of this Draft Letter of Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to receipt of such other statutory approvals. The Acquirer will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations, 2011. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE, NSE and to the Target Company at its registered office.
10. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Equity Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

11. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the 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 held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Share.
12. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
13. The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its board of directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.
14. Upon completion of the Open Offer, assuming full acceptances, the public shareholding of the Target Company may fall below minimum level of public shareholding as required to be maintained as per Rule 19A(1) of the Securities Contract (Regulation) Rules, 1957 ("**SCRR**") as amended and Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR, 2015**"). The Acquirer undertakes to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, 2011.
15. If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within 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 SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
16. The Acquirer has not acquired any Equity Shares of the Target Company after the date of PA, i.e. August 26, 2021 and upto the date of this DLOF.

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

1. The primary objective of the Acquirer for the above mentioned acquisition is substantial acquisition of shares and voting rights in the Target Company and to consolidate its shareholding. Acquirer does not have any plan to make major changes in existing line of business of the Target Company.
2. The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its board of directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations, 2011.

#### **V. BACKGROUND OF THE ACQUIRER**

- 1.1 Trinity Infraventures Limited ("**Trinity**" or "**Acquirer**") was incorporated on April 10, 1992 under the Companies Act 1956 as a private limited company under the name and style of "Goldstone Exports Private Limited" vide Certificate of Incorporation issued by Registrar of Companies, Andhra Pradesh. The company became a deemed public company by virtue of the section 43A(1A)(1B) of the Companies Act,

1956 with effect from March 18, 1998 and the name of Trinity was changed from Goldstone Exports Private Limited to Goldstone Exports Limited. The name was again changed from Goldstone Exports Limited to the current name i.e. Trinity Infraventures Limited and a fresh certificate of incorporation was issued by the Registrar of Companies, NCT of Delhi and Haryana on September 13, 2009. The Company Identification Number of the Acquirer is U00063DL1992PLC140198.

- 1.2 The Registered Office of Acquirer is situated at 6/10 Shanti Niketan, New Delhi - 110 021, India.
- 1.3 Trinity is currently engaged in the business of infrastructure projects, real estate, insulators, technology and power.
- 1.4 Acquirer is a part of Trinity Group.
- 1.5 No other person is acting in concert with the Acquirer for the purpose of this Open Offer. While persons may be deemed to be acting in concert with Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations, 2011, such Deemed Persons Acting in Concert are not acting in concert with Acquirer for the purposes of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations, 2011.
- 1.6 The Acquirer forms part of the Promoter and Promoter Group of the Target Company. As on the date of this DPS, neither the Acquirer nor its directors and/or key managerial personnel have any interest in the Target Company except that Mr. L P Sashikumar, director of the Acquirer is also a Promoter director of the Target Company and Ms. L Preetha Priyadarshini is shareholder of the Acquirer holding negligible shares and is also a Promoter of the Target Company. They reclude themselves to participate in any deliberations of the Board of Directors of the Target Company or vote on any matter in relation to this Open Offer.
- 1.7 As on the date of this DLOF, the issued and paid up share capital of the Acquirer is ₹ 4,07,00,100 comprising of 40,70,010 equity shares of face value of ₹10 each. The promoters of the Acquirer are Ms. Mahita Prasad Caddell, Ms. Sunita Prasad and Ms. Indrani Prasad. The details of the shareholders of the Acquirer is provided below:

Sr. No.	Name of Shareholders	No. of Shares	%
1	<b>Promoter and promoter group</b>		
	(i) Ms. Indrani Prasad	13,90,010	34.15
	(ii) Ms. Mahita Prasad Caddell	12,14,980	29.85
	(iii) Ms. Sunita Prasad	12,14,980	29.85
	(iv) GEL Infrastructure Private Limited	2,50,000	6.14
	(v) Ms. L Preeta Priyadarshini	10	0.00
	(vi) Ms. Sabita Pantagni	10	0.00
	(vii) Ms. Pratima Francis	10	0.00
	(viii) Ms. Lydia Jasti	10	0.00
2	FII/ Mutual-Funds/FIs/Banks	Nil	NA
3	Public	Nil	NA
	<b>Total</b>	<b>40,70,010</b>	<b>100.00</b>

#### 1.8 Details of board of directors of the Acquirer:

Sr. No.	Name and address of the Directors	DIN	Qualification and Experience	\$ Date of Appointment
1	Ms. Indrani Prasad	02720943	She has done her Bachelor of Medicine and Bachelor of Surgery from the Osmania University, Hyderabad	September 6, 2003
2	Ms. Mahita Prasad Caddell	01436127	She has done her Bachelor of Science in Business Administrations and Business Systems from the University of North Carolina Wilmington, USA and is currently a resident of the USA	September 29, 2003
3	Ms. Sunita Prasad	03470986	She has completed her Bachelors in Science and is currently a resident of the USA	January 8, 2001

Sr. No.	Name and address of the Directors	DIN	Qualification and Experience	Date of Appointment
4	Mr. L P Sashikumar	00016679	He has done his Bachelor of Science from Union University, Jackson Tennessee, USA	March 18, 2019
5	Mr. Ponnappa Parthasarathy Sanjeeva	01837281	He is a businessman	January 20, 2016

Mr. L P Sashikumar is on the board of directors of the Target Company. Apart from Mr. L P Sashikumar, none of the director of Acquirer is on the board of directors of Target Company.

- 1.9 None of the securities of Acquirer are listed on any of the stock exchanges in India or outside India.
- 1.10 Acquirer or its respective directors or key employees or persons in control have not been declared as: (i) “willful defaulter” by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India (“RBI”), in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations, 2011; or (ii) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, , in terms of Regulation 2(1) (ja) of the SEBI (SAST) Regulations, 2011.
- 1.11 Acquirer confirms that it has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (“SEBI Act”) or under any other Regulation made under the SEBI Act.
- 1.12 The key financial information of the Acquirer based on its audited consolidated financial statements for the financial year ended March 31, 2018, March 31, 2019 and March 31, 2020 and unaudited consolidated financial statements for the financial year ended March 31, 2021, certified by the statutory auditor are as given below:

(₹ in Lakhs except EPS)

Profit & Loss Statement	For the year ended March 31,			
	2018 (Audited) (As per IGAAP)	2019 (Audited) (As per IGAAP)	2020 (Audited) (As per IGAAP)	2021 (Unaudited Certified – provisional numbers) (As per IGAAP)
Revenue from Operations	5,708.86	7,092.83	3,096.88	3,518.91
Other Income	356.07	506.67	1,372.59	3,455.32
<b>Total Income</b>	<b>6,064.93</b>	<b>7,599.50</b>	<b>4,469.47</b>	<b>6,974.23</b>
<b>Total Expenditure</b>	<b>5,922.84</b>	<b>7,458.88</b>	<b>4,996.06</b>	<b>6,930.18</b>
<b>Profit Before Depreciation Interest and Tax</b>	<b>1,080.91</b>	<b>1,389.66</b>	<b>778.26</b>	<b>954.14</b>
Depreciation	268.16	260.20	257.44	265.06
Interest	670.67	988.85	874.49	644.31
Profit / (Loss) before Tax	142.09	139.72	(353.67)	44.77
Provision for Tax	65.59	39.66	78.24	162.92
<b>Profit After Tax</b>	<b>76.50</b>	<b>100.06</b>	<b>(275.43)</b>	<b>(118.15)</b>

Balance Sheet Statement	As on March 31,			
	2018 (Audited) (As per IGAAP)	2019 (Audited) (As per IGAAP)	2020 (Audited) (As per IGAAP)	2021 (Unaudited Certified – provisional numbers) (As per IGAAP)
<b>Sources of Funds</b>				

Balance Sheet Statement	As on March 31,			
	2018 (Audited) (As per IGAAP)	2019 (Audited) (As per IGAAP)	2020 (Audited) (As per IGAAP)	2021 (Unaudited Certified – provisional numbers) (As per IGAAP)
Paid up share capital	407.00	407.00	407.00	407.00
Reserves and Surplus (excluding revaluation reserves)	13,574.81	22,348.47	22,073.10	21,316.34
<b>Networth</b>	13,981.81	22,755.47	22,480.10	21,723.34
Secured Loans	2,718.32	2,370.00	2,632.54	261.08
Unsecured Loans	2,892.49	4,363.71	5,460.41	5,131.72
Non Current Liability	1,014.75	1,645.37	1,578.41	1,001.75
<b>Total</b>	20,607.36	31,134.55	32,151.46	28,117.89
<b>Use of Funds</b>				
Net Fixed Assets	7,697.90	6,558.27	6,482.35	5,795.32
Investments	6,849.76	7,776.43	9,398.72	6,667.90
Net Current Assets	5,819.36	16,229.52	15,187.21	14,625.05
Non-Current Assets	240.34	570.33	1,083.17	1,029.63
Miscellaneous Expenditure not written off	-	-	-	-
<b>Total</b>	20,607.36	31,134.55	32,151.46	28,117.90

Other Financial Data	As on and for the year ended March 31,			
	2018 (Audited) (As per IGAAP)	2019 (Audited) (As per IGAAP)	2020 (Audited) (As per IGAAP)	2021 (Unaudited Certified – provisional numbers) (As per IGAAP)
Dividend (%)	-	-	-	-
Basic Earnings Per Share (₹)	1.88	2.46	(6.77)	(2.90)
Diluted Earnings Per Share (₹)	1.88	2.46	(6.77)	(2.90)

1.13 Acquirer confirms that there are no contingent liabilities pending as on March 31, 2021, except as stated below:

- (i) Corporate guarantees issued to State Bank of India towards working capital advances of Rs.112.00 crores availed by Olectra Greentech Limited (formerly known as Goldstone Infratech Limited).
- (ii) Collateral security and corporate guarantees issued to State Bank of India towards working capital advances of Rs. 24.59 crores availed by Trinity Cleantech Private Limited (formerly known as Trinity Transformers Private Limited).
- (iii) Collateral security and corporate guarantees issued to Canara Bank towards working capital advances of Rs. 22.20 crores availed by Trinity Cleantech Private Limited (formerly known as Trinity Transformers Private Limited).
- (iv) Outstanding Bank Guarantees as on March 31, 2021 is Rs. 19.30 crore (Previous year Rs. 18.45 crore).
- (v) Outstanding Letter of Credits as on March 31, 2021 is Rs. 5.44 crore (Previous year Rs. 3.54 crore)

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

Details	Acquirer	
	Number of Equity Shares	%
Shareholding as on the PA date	34,19,872	18.21% of the Existing Voting Share Capital
Equity Shares acquired through Preferential Issue	1,51,00,000	43.66% of the Expanded Voting Share Capital
Shares acquired between the PA date and the DLOF date	Nil	--

Details	Acquirer	
	Number of Equity Shares	%
Equity Shares proposed to be acquired in the Offer <i>(assuming full acceptance)</i>	89,91,338	26% of the Expanded Voting Share Capital
<b>Post Open Offer Shareholding on fully diluted basis on 10th working day after closing of Tendering Period <i>(assuming full acceptance)</i></b>	<b>2,75,11,210</b>	<b>79.55% of the Expanded Voting Share Capital</b>

*Note: Acquirer holds 34,19,872 Equity Shares representing 18.21% of the Existing Voting Share Capital of the Target Company. Also, Mr. L P Sashikumar, director of the Acquirer and also promoter director of the Target Company holds 757 Equity Shares of the Target Company and Mrs. L Preetha Priyadarshini is shareholder of the Acquirer, is also a Promoter of the Target Company holding 1,13,524 Equity Shares of the Target Company. Apart from this and as mentioned above, Acquirer and its directors do not hold any Equity Share of the Target Company.*

## VI. BACKGROUND OF THE TARGET COMPANY

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

1. The Target Company was incorporated on March 18, 1994 under the Companies Act 1956 as a private limited company under the name and style of “Goldstone Engineering Private Limited” vide Certificate of Incorporation issued by Registrar of Companies, Andhra Pradesh. Subsequently, the company was converted to the public limited company and the Registrar of Companies, Andhra Pradesh, issued fresh certificate of incorporation to this effect on November 16, 1994. Subsequently, the name of the Target Company was change to Goldstone Technologies Limited and the Registrar of Companies, Andhra Pradesh, issued fresh certificate of incorporation to this effect on December 17, 1999. The name was changed to Virgo Tech Limited and the Registrar of Companies, Andhra Pradesh, issued fresh certificate of incorporation to this effect on November 18, 2008. The name was changed to Goldstone Technologies Limited and the Registrar of Companies, Andhra Pradesh, issued fresh certificate of incorporation to this effect on July 2, 2009. The Company Identification Number of the Target Company is L72200TG1994PLC017211.
2. The Registered Office of the Target Company is situated at 1st Floor, GNR's RV Insignia Building, Image Garden Road, Madhapur, Hyderabad, Rangareddi, Telangana – 500 081; Email: cs@goldstonetech.com; Website: www.goldstonetech.com.
3. Currently, the Equity Shares of Target Company are listed on BSE Limited (Scrip Code: 531439; Symbol: GOLDTECH) and National Stock Exchange of India Limited (Symbol: GOLDTECH). The ISIN of Equity Shares of Target Company is INE805A01014. Currently, trading of Target Company’s Equity Shares are not suspended from the Stock Exchanges.
4. There are no Equity Shares of the Target Company that are issued, allotted, but not listed on the Stock Exchanges.
5. The Target Company is presently engaged in the business of software development, business intelligence, data analytics, IT services consulting, cloud strategy & implementation, analytics consulting, data engineering, data sciences and analytics training and other allied services.
6. There has been no merger/ de-merger, spin off during last three years involving the Target Company.
7. The Authorized Share Capital of the Target Company is ₹ 50,00,00,000/- (Rupees Fifty Crore only) comprising of 5,00,00,000 Equity Shares of face value ₹ 10/- each. The issued, subscribed and paid up share capital of the Target Company is ₹ 18,78,20,660/- (Rupees Eighteen Crore Seventy Eight Lakh Twenty Thousand Six Hundred Sixty only) comprising of 1,87,82,066 Equity Shares of face value ₹ 10/- each.
8. As on the date of this Draft Letter of Offer, there are no outstanding partly paid up equity shares of the Target Company and there are no outstanding warrants or options or similar instruments which will convertible into Equity Shares at a later stage.
9. The Equity Shares of the Target Company are frequently traded within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.



10. The Equity Share Capital structure of the Target Company as of the date of this Draft Letter of Offer is:

Issued and Paid-up Equity Share of Target Company	Pre – Open Offer		Post – Open Offer	
	Number of Equity Shares /Voting Rights	% of Equity Shares/Voting Rights	Number of Equity Shares /Voting Rights	% of Equity Shares/Voting Rights
Fully paid-up Equity Shares	1,87,82,066	100.00	3,45,82,066	100.00
Partly paid-up Equity Shares	NIL	NIL	NIL	NIL
Total paid-up Equity Shares	1,87,82,066	100.00	3,45,82,066	100.00
Total Voting Rights in Target Company	1,87,82,066	100.00	3,45,82,066	100.00

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

Sr. No.	Name and Address	Designation	DIN	Date of Appointment
1.	Mr. L P Sashikumar 85 & 86, Kiran Enclave, Sikh Road, Secunderabad, Telangana 500009	Promoter and Non-Executive Director	00016679	30/10/2007
2.	Mr. Clinton Travis Caddell 409 Tharps LN NC 27614-9402, North Carolina, Raleigh 27614 US	Promoter and Non-Executive Director	01416681	30/05/2012
3.	Mr. K S Sarma Plot No. 1745 8-2-677/B/1, Banjara Hills, Opst. Elbit Diagnostic Centre Hyderabad, Telangana 500034	Non-Executive Independent Director	01505787	30/04/2007
4.	Mr. V Venkata Ramana 17/1/388/60, Laxmi Nagar Colony, Near Laxmi Nagar Park, Saidabad, Hyderabad, Telangana-500059	Non-Executive Independent Director	02660082	30/09/2009
5.	Mr. Pavan Chavali* 10-2-318/20, B-21, F-3, Vijaya Nagar Colony Asifnagar, Hyderabad, Telangana-500057	Executive and Whole Time Director	08432078	June 25, 2021
6.	Ms. Deepa Chandra 01A, Shatabdi Vihar, Plot No-E-15, Sector-61, Noida, Gautam Buddha Nagar, Noida, Uttar Pradesh- 201301	Non-Executive Independent Director	08952233	November 13, 2020

\*Mr. Pavan Chavali, was appointed as a Director and Whole Time Director of the company with effect from 23rd May 2019 for a term of 2 years. His term as Whole-Time Director expired on 22<sup>nd</sup> May 2021 and post that he continued to act as a Director. The Board of Directors (based on the recommendations of Nomination and Remuneration Committee) in their meeting held on 25<sup>th</sup> June, 2021 appointed Mr. Pavan Chavali, as a Whole Time Director of the company for a further term of 3 (three) years with effect from 25<sup>th</sup> June, 2021.

12. As on the date of this Draft Letter of Offer, except Mr. L P Shashikumar who is also one of the director of Acquirer and Promoter and Non-Executive Director of the Target Company, none of the Board of Directors of the Target Company represent the Acquirer.

13. Summary of the audited consolidated financial statements for the financial year ended March 31, 2019, March 31, 2020, March 31, 2021 and unaudited limited review three month period ended June 30, 2021 are as given below:

(₹ in Millions except EPS)

Profit & Loss Statement	For the year ended March 31,	For the
-------------------------	------------------------------	---------

	2019	2020	2021	three month period ended on June 30, 2021 (Limited Reviewed)
Revenue from Operations	415.52	427.64	500.10	123.26
Other Income	2.53	0.47	4.01	0.00
<b>Total Revenue</b>	<b>418.05</b>	<b>428.11</b>	<b>504.11</b>	<b>123.26</b>
<b>Total Expenditure</b>	<b>409.82</b>	<b>420.77</b>	<b>499.52</b>	<b>126.50</b>
Profit Before Depreciation Interest, Tax and Exceptional Items	8.23	7.34	4.59	(3.24)
Depreciation and amortization expense	3.70	3.32	3.34	0.88
Finance costs	3.10	3.31	2.36	0.34
Profit / (Loss) before Exceptional items and Tax	<b>1.43</b>	<b>0.71</b>	<b>(1.11)</b>	<b>(4.46)</b>
Exceptional Items	-	-	-	-
<b>Profit Before Tax</b>	<b>1.43</b>	<b>0.71</b>	<b>(1.11)</b>	<b>(4.46)</b>
Tax Expenses (Income Tax, Deferred Tax & Wealth Tax) (Net)	10.20	1.99	4.62	<b>0.24</b>
<b>Profit After Tax</b>	<b>(8.77)</b>	<b>(1.28)</b>	<b>(5.73)</b>	<b>(4.70)</b>

Balance Sheet Statement	As on March 31,		
	2019	2020	2021
<b>Sources of Funds</b>			
Paid up share capital	187.82	187.82	187.82
Reserves and Surplus	247.29	258.84	251.18
<b>Networth</b>	<b>435.11</b>	<b>446.66</b>	<b>439.00</b>
Secured Loans	21.37	39.39	1.26
Unsecured Loans	37.43	37.72	37.01
Non-current liabilities	13.75	14.15	14.20
<b>Total</b>	<b>507.66</b>	<b>537.92</b>	<b>491.47</b>
<b>Use of Funds</b>			
Net Fixed assets	195.98	193.40	192.28
Long-term loans and advances	12.98	11.18	10.08
Current Investments	-	-	-
Net Current Assets	298.70	333.34	289.11
<b>Total</b>	<b>507.66</b>	<b>537.92</b>	<b>491.47</b>

Other Financial Data	As on and for the year ended March 31,			For the three month period ended on June 30, 2021 (Limited Reviewed)
	2019	2020	2021	
Dividend (%)	-	-	-	Not Available
Basic Earnings Per Share (₹)	(0.47)	(0.07)	(0.31)	(0.25)^
Diluted Earnings Per Share (₹)	(0.47)	(0.07)	(0.31)	(0.25)^
Return on Net worth (%)*	(2.02%)	(0.29%)	(1.31%)	Not Available
Book Value per share (₹)#	23.16	23.79	23.37	Not Available

(Source: Annual Report for respective financial years and limited reviewed financial results for the three month period ended on June 30, 2021, as available on [www.bseindia.com](http://www.bseindia.com))

^ June 30, 2021 numbers are not annualized

\* Return on Networth: Profit/ (Loss) after Tax / Net Worth

# Book Value per share: Net Worth / No. of shares outstanding

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

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/ voting rights agreed to be acquired which has triggered the SEBI (SAST) Regulations, 2011		Equity Shares/ voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	% <sup>(1)</sup>	No.	% <sup>(2)</sup>	No.	% <sup>(2)</sup>	No.	% <sup>(2)</sup>
<b>(1) Promoter and Promoter Group</b>								
a. Parties to the agreement, if any:	--	--	--	--	--	--	--	--
b. Promoters other than (a) above, excluding Acquirer	1,14,281	0.61	--	--	--	--	1,14,281	0.33
<b>Total 1 (a + b)</b>	<b>1,14,281</b>	<b>0.61</b>	--	--	--	--	<b>1,14,281</b>	<b>0.33</b>
<b>(2) Acquirer<sup>(3)</sup></b>	34,19,872	18.21	1,51,00,000	43.66	89,91,338	26.00	2,75,11,210	79.55
<b>(3) Parties to agreement other than (1)&amp;(2)</b>	--	--	--	--	--	--	--	--
<b>(4) Public (other than under 1, 2, and 3)<sup>(4)</sup></b>								
a. FIs/ MFs / FIIIs / SFIIs	1,52,47,913	81.18	--	--	(89,91,338)	26.00	62,56,575	18.09
b. Others								
c. Mr. Srinivas Pagadala <sup>(5)</sup>	--	--	--	--	--	--	7,00,000	2.02
<b>Total 4 (a + b)</b>	<b>1,52,47,913</b>	<b>81.18</b>	--	--	--	--	<b>69,56,575</b>	<b>20.12</b>
<b>Grand Total (1+2+3+4)</b>	<b>1,87,82,066</b>	<b>100.00</b>	--	--	--	--	<b>3,45,82,066</b>	<b>100.00</b>

**Notes:**

1. Calculated on basis of Existing Voting Share Capital.
2. Calculated on the basis of Expanded Voting Share Capital.
3. 1,51,00,000 Equity Shares proposed to be allotted to the Acquirer who is also a part of promoter and promoter group of the Target Company.
4. The number of shareholders of the Target Company in the "public category" as on June 30, 2021 is 11987.
5. 7,00,000 Equity Shares proposed to be allotted to Mr. Srinivas Pagadala, a public shareholder, considered for determining Expanded Voting Share Capital.

15. To the extent the post-offer holding of the Acquirer in the Target Company exceeds the maximum permissible non-public shareholding in terms of Rule 19A(1) of the Securities Contract (Regulation) Rules, 1957 ("SCRR") as amended and Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR, 2015"), the Acquirer undertakes to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations, 2011.

16. Except as stated in the table above, the Acquirer has not acquired any Equity Shares after date of PA till the date of Draft Letter of Offer.

## VII. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### A) JUSTIFICATION FOR THE OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE Limited (Scrip Code: 531439; Symbol: GOLDTECH) and National Stock Exchange of India Limited (Symbol: GOLDTECH). The ISIN of Equity Shares of Target Company is INE805A01014.
2. The trading turnover in the Equity Shares of the Target Company on BSE and NSE based on trading volume during the twelve calendar months prior to the month of PA (From August 1, 2020 to July 31, 2021) is as given below:

Stock Exchange	Total no. of Equity Shares traded during the twelve calendar months prior to the month of PA (A)	Weighted average no. of listed Equity Shares during the period (B)	Trading turnover (as % of Equity Shares listed) (A/B)
BSE	45,26,040	1,87,82,066	24.10
NSE	1,50,10,480	1,87,82,066	79.92

(Source: www.bseindia.com and www.nseindia.com)

- Based on the information provided in point above, the Equity Shares of the Target Company are frequently traded on the BSE and NSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011.
- The Offer Price of ₹ 14.30/- (Rupees Fourteen and Thirty Paise only) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011, being the highest of the following:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
a)	The highest negotiated price per Equity Share of the Target Company for any acquisition made under the agreement attracting the obligation to make a public announcement of an open offer.	Not Applicable
b)	The price at which the Equity Shares are proposed to be allotted to the Acquirer pursuant to the Preferential Issue.	14.30
c)	The volume-weighted average price paid or payable for acquisition, by the Acquirer, during the fifty-two weeks immediately preceding the date of PA.	Not Applicable
d)	The highest price paid or payable for any acquisition, by the Acquirer, during the twenty-six weeks immediately preceding the date of PA.	Not Applicable
e)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company has been recorded during such period.	13.65

- In view of the above parameters considered and in the opinion of the Acquirer and Manager to the Offer, the Offer Price of ₹ 14.30 per Equity Share is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011.
- There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations, 2011.
- There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
- An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last one Working Day before the commencement of the Tendering Period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations, 2011. In the event of such revision or any acquisition of the Equity Shares by the Acquirer during the offer period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations, 2011, the Acquirer shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraphs V of the DPS; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, NSE and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the 3rd working day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer.

## B) FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement for acquisition of 89,91,338 fully paid-up Equity Shares at the Offer Price of ₹ 14.30 (Rupees Fourteen and Thirty Paise Only) per Equity Share is ₹ 12,85,76,133.40 (Rupees Twelve Crore Eighty Five Lakhs Seventy Six Thousand One Hundred Thirty Three and Forty Paise Only) (“**Maximum Consideration**”).
2. The Acquirer has opened an escrow account named “Trinity Infraventures Ltd - GTL Open Offer Cash Escrow A/C” (“**Open Offer Escrow Account**”) with ICICI Bank (acting through its branch at Capital Market Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020, the “**Escrow Bank**”) and, in accordance with regulation 17(3)(a) of the SEBI (SAST) Regulations, 2011, have made a cash deposit of a sum of ₹ 3,22,00,000/- (Rupees Three Crore Twenty Two Lakhs Only) in the Open Offer Escrow Account (“**Cash Escrow**”) which is more than 25% of the Offer Size required to be deposited in accordance with regulation 17 of the SEBI (SAST) Regulations, 2011. The Manager has entered into an agreement with the Acquirer and the Escrow Bank (“**Escrow Agreement**”) pursuant to which the Acquirer has solely authorized the Manager to the Open Offer to realize the monies lying to the credit of the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations, 2011.
3. The Acquirer has confirmed that it has adequate financial resources to meet the obligations under the Open Offer and has made firm financial arrangements for implementation of the Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.
4. Mr. K Gopala Krishna, partner of M/s P C N Associates, Chartered Accountants (Membership No.: 203605, Firm Registration No.: 016016S) having office at Plot No. 12, “N Heights” Software Layout Unit, Cyberabad, Hyderabad – 500 081; Email Id: pcnassociates@yahoo.com, vide certificate dated August 26, 2021, certified that the Acquirer has firm and adequate financial resources to meet the financial requirements to fulfill its obligations of the Open Offer in full in accordance with SEBI (SAST) Regulations, 2011.
5. In case of any upward revision in the Offer Price or the size of this Offer, the cash in the Escrow Account shall be increased by the Acquirer on the revised consideration calculated at such revised offer price or offer size prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, 2011.
6. Based on the above, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to implement the Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations, 2011

## VIII. TERMS AND CONDITIONS OF THE OPEN OFFER

### A) OPERATIONAL TERMS AND CONDITIONS

1. The Offer is being made by the Acquirer to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
2. The Acquirer is making this Offer to all Public Shareholders to acquire up to 89,91,338 Equity Shares, constituting 26.00% of the Expanded Voting Share Capital, subject to the terms and conditions mentioned in the PA, DPS and the LOF.
3. In terms of the indicative schedule of major activities, the Tendering Period for the Open Offer is expected to commence on Thursday, October 21, 2021 and close on Wednesday, November 3, 2021.
4. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Offer Shares. The Equity Shares tendered under this Open Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attaching thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
5. This Open Offer is not conditional upon any minimum level of acceptance.

6. The Identified Date for this Open Offer as per the indicative schedule of major activities is October 5, 2021.
7. The marketable lot for the Equity Shares for the purpose of this Open Offer shall be one Equity Share. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
8. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.
9. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, DPS and LOF, to the extent of the Offer Size. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager 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.
10. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, 2011, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
11. Copies of PA and DPS are available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and copies of DLOF and LOF will be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).
12. The Acquirer reserves the right to revise the Offer Price and/ or the number of Offer Shares upwards at any time prior to the commencement of the last 1 Working Day before the commencement of the Tendering Period, i.e., up to October 20, 2021, in accordance with the SEBI (SAST) Regulations, 2011. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, 2011, the Acquirer shall (i) make a corresponding increase to the escrow amount, (ii) make an announcement in the same newspapers in which the DPS was published, and (iii) simultaneously notify the Stock Exchanges, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirer will pay such revised price for all the Equity Shares validly tendered in the Open Offer and accepted under the Open Offer in accordance with the terms of the LOF.
13. The instructions, authorizations and provisions contained in the FOA constitute part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer/ Manager to the Offer requesting for the Letter of Offer along with the FOA. Alternatively, the Letter of Offer along with the FOA will also be available at SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)), and the Public Shareholders can also apply by downloading such forms from the website.
14. 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.

## **B) LOCKED-IN EQUITY SHARES**

The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.

## **C) ELIGIBILITY FOR ACCEPTING THE OPEN OFFER**

1. All Public Shareholders, registered or unregistered, who hold Equity Shares and are able to tender such Equity Shares in this Offer at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in paragraph D below).
2. The acceptance of this Open Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
3. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Open Offer. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected.

Accidental omission to send LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.

4. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
5. None of the Acquirer, the Manager or the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
6. The acceptance of Equity Shares tendered in the Open Offer will be made by the Acquirer in consultation with the Manager to the Offer.
7. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the 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 held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

#### **D) STATUTORY AND OTHER APPROVALS**

1. As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
2. If any of the Public Shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals, *inter alia*, from the Reserve Bank of India or any regulatory body for the transfer of any Equity Shares to the Acquirer, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirer reserves the right to reject the Equity Shares tendered by such shareholders that are not resident in India..
3. Subject to the receipt of statutory and other approvals, if any, the Acquirer shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Equity Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
4. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, 2011 will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the approvals mentioned in paragraph VIII (D) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirer has a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, BSE, NSE and the registered office of the Target Company.

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

1. All the Public Shareholders of the Target Company whether holding the Equity Shares in physical form or dematerialized form, registered or unregistered, are eligible to participate in this Offer at any time during the Tendering Period for this Offer, i.e. the period from the Offer Opening Date till the Offer Closing Date.

2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
3. The Public Shareholders who tender their Equity Shares in the Open Offer shall ensure that the Equity Shares are fully paid-up and are free from all liens, charges and encumbrances. The Acquirer shall acquire the Offer Shares that are validly tendered and accepted in the Open Offer, together with all rights attached thereto, including the right to dividends, bonuses and rights offers declared thereof in accordance with the applicable law and the terms set out in the Public Announcement, this Detailed Public Statement and the Letter of Offer.
4. The Open Offer will be implemented by the Company through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (“**Acquisition Window**”) as provided under the SEBI SAST Regulations, 2011 and SEBI Circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 issued by SEBI.
5. BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
6. The Acquirer has appointed, IIFL Securities Limited as the registered broker (“**Buying Broker**”) for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the Tendering Period. The contact details of the Buying Broker are as mentioned below:



IIFL Securities Limited  
 9<sup>th</sup> Floor, IIFL Centre,  
 Kamala City, Senapati Bapat Marg,  
 Lower Parel (West), Mumbai 400 013  
**Contact Person:** Vishal Hase  
**Tel. No.:** +91 22 4646 4600  
**Email:** gtl.openoffer2021@iiflcap.com  
**Website:** www.iiflcap.com;  
**SEBI Registration Number:** INZ000164132  
**Corporate Identity Number:** L99999MH1996PLC132983

7. All the Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock broker (“**Selling Broker**”) during the normal trading hours of the secondary market during the Tendering Period. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares.
8. The Acquisition Window will be provided by the BSE Limited to facilitate placing of sell orders. Before placing the orders, the concerned Public Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited and/or the National Securities Clearing Corporation (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation.
9. The cumulative quantity tendered shall be displayed on the stock exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
10. Modification/ cancellation of orders will not be allowed during the Tendering Period.
11. Public Shareholders who wish to bid/ offer their physical shares in the Offer are requested to send their original documents as mentioned in the LOF to Link Intime India Private Limited (“**Registrar to the Offer**”) so as to reach them within 2 days from closure of the Tendering Period. It is advisable to email scanned copies of the original documents mentioned in the LOF, first to the Registrar to the Offer then send physical copies to the Registrar’s address as provided in the LOF.
12. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that BSE registered stock broker after



submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom it does not have an account) may have to submit following details:

**i. In case of Public Shareholder being an individual:**

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

1. Central Know Your Client (“CKYC”) form including Foreign Account Tax Compliance Act (“FATCA”), In Person Verification (“IPV”), Original Seen and Verified (“OSV”), if applicable.
2. Know Your Client (“KYC”) form documents required (all documents self-attested):
  - o Bank details (cancelled cheque)
3. Demat details for Equity Shares in demat mode (demat master/latest demat statement)

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

1. CKYC form including FATCA, IPV, OSV, if applicable
2. KRA form
3. KYC form documents required (all documents self-attested):
  - o PAN card copy
  - o Address proof
  - o Bank details (cancelled cheque)
4. Demat details for Equity Shares in demat mode (demat master /latest demat statement)

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

**ii. In case of Public Shareholder, being a Hindu Undivided Family (“HUF”):**

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

1. CKYC form of karta including FATCA, IPV, OSV if applicable
2. KYC form documents required (all documents self-attested):
  - o Bank details (cancelled cheque)
3. Demat details for Equity Shares in demat mode (demat master/latest demat statement)

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

1. CKYC form of karta including FATCA, IPV, OSV if applicable
2. KRA form
3. KYC form documents required (all documents self-attested):
  - o PAN card copy of HUF & karta
  - o Address proof of HUF & karta
  - o HUF declaration
  - o Bank details (cancelled cheque)
4. Demat details for Equity Shares in demat mode (demat master/latest demat statement)

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

**iii. In case of Public Shareholder other than Individual and HUF:**

a) If Public Shareholder is KRA registered: Form required

1. KYC form documents required (all documents certified true copy):
  - o Bank details (cancelled cheque)
2. Demat details for Equity Shares in demat mode (demat master/latest demat statement)
3. FATCA, IPV, OSV if applicable
4. Latest list of directors/authorised signatories/partners/trustees
5. Latest shareholding pattern
6. Board resolution
7. Details of ultimate beneficial owner along with PAN card and address proof
8. Last 2 years financial statements

b) If Public Shareholder is not KRA registered: Forms required:

1. KRA form
2. KYC form documents required (all documents certified true copy):
  - PAN card copy of company/ firm/trust
  - Address proof of company/firm/trust
  - Bank details (cancelled cheque)
3. Demat details for Equity Shares in demat mode (demat master/latest demat statement)
4. FATCA, IPV, OSV if applicable
5. Latest list of directors/authorised signatories/partners/trustees
6. PAN card copies & address proof of directors/authorised signatories/ partners/trustees
7. Latest shareholding pattern
8. Board resolution/partnership declaration
9. Details of ultimate beneficial owner along with PAN card and address proof
10. Last 2 years financial statements
11. Memorandum of association/partnership deed /trust deed

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

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

13. Public Shareholders may also: (a) download the Letter of Offer from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)); or (b) obtain a copy of the Letter of Offer by writing to the Registrar to the Offer superscripting the envelope with: (1) suitable documentary evidence of ownership of the Equity Shares of the Target Company; and (2) their folio number, DP ID, client ID, current address and contact details.
14. The Public Shareholders will have to ensure that they keep a Demat Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

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

1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
2. The Selling Broker would be required to place an order/ bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/ bid by the Selling Broker.
3. The Public Shareholders shall earmark/ provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
4. Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.
5. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
6. For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

7. For resident Public Shareholders holding Equity Shares in dematerialized form, submission of FOA and TRS is not mandatory, but are advised to retain the acknowledged copy of the TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.
8. **The Public Shareholders holding shares in demat mode are not required to fill any FOA, unless required by their respective Selling Broker.**

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

As per the provisions of Regulation 40(1) of the SEBI LODR, 2015 and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations, 2011. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

1. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e., Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN card, (iv) FOA duly completed and signed in accordance with the instructions contained therein, by sole/joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.
2. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
3. Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a TRS generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
4. The Selling Broker/ Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post/speed post or courier or hand delivery to the Registrar to the Offer i.e. Link Intime India Private Limited (at the following address: C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India) within 2 days of bidding by the Selling Broker and in any event not later than November 5, 2021 (by 5.00 p.m. (IST)). The envelope should be super scribed as "TIL Goldstone Technologies Limited Open Offer". One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker/ Public Shareholder.
5. The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares in physical form shall be subject to verification as per the SEBI (SAST) Regulations, 2011 and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.
6. All documents as mentioned above, shall be enclosed with the FOA, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the FOA instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the

signature on the FOA and Form SH-4 does not match as per the specimen signature recorded with Target Company/Registrar of the Target Company.

7. In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of having the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

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

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

1. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
2. A Public Shareholder may participate in the Open Offer by approaching its broker/ Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF.
3. The LOF along with the FOA will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified Date. A Public Shareholder receiving the LOF along with the FOA through electronic mode will be entitled to furnish a physical copy of the said documents upon receipt of requisition, if any, by e-mail at [goldstone.offer@linkintime.co.in](mailto:goldstone.offer@linkintime.co.in) or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may (i) download the same from SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)) and can apply by using the same; or (ii) obtain a physical 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. Public Shareholders can also download the soft copy from the Registrar's website ([www.linkintime.co.in](http://www.linkintime.co.in)).
4. Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Open Offer.

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

1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares agreed to be acquired in this Offer, the Acquirer shall accept those Equity Shares validly tendered by such 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.
3. In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

#### **Settlement Process**

1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to BSE to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
2. The settlement of trades shall be carried out in the manner similar to settlement of trades in accordance with the Acquisition Window Circulars.
3. The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their

depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.

4. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction are rejected by RBI/ relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
5. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
6. Excess Equity Shares in dematerialized form or unaccepted Equity Shares in dematerialized form, if any, tendered by the Public Shareholders would be released to them by the Clearing Corporation.
7. The direct credit of Equity Shares shall be given to the demat account of the Acquirer as indicated by the Buying Broker.
8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer.
9. In case of partial or non-acceptance of orders, the balance Equity Shares in dematerialized form shall be returned directly to the demat accounts of the Public Shareholders by the Clearing Corporation. 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. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/ restricted from being transferred pursuant to any pending court cases/ attachment orders/ restriction from other statutory authorities; are liable to be rejected unless directions/ orders of an appropriate court/ tribunal/ statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
10. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
11. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number to the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
12. Public Shareholders who intend to participate in the Open 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 Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
13. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations, 2011.

## **X. NOTE ON TAXATION**

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 ACQUIRER 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).

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 Acquirer 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.

## **XI. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at 10th Floor, IIFL Centre, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013, Maharashtra on any working day (i.e. Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer:

- Copy of Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
- Copy of certificate dated August 26, 2021 issued by Mr. K Gopala Krishna, partner of M/s P C N Associates, Chartered Accountants (Membership No.: 203605, Firm Registration No.: 016016S) having office at Plot No. 12, “N Heights” Software Layout Unit, Cyberabad, Hyderabad – 500 081; Email Id: pcnassociates@yahoo.com, certifying the firm and adequate financial resources of the Acquirer to fulfill its Open Offer obligation.
- Copy of consolidated audited financial statements of the Acquirer for the financial years ending March 31, 2018, March 31, 2019 and March 31, 2020 and unaudited consolidated financial statements for the financial year ended March 31, 2021, certified by the statutory auditor.
- Copy of certificate of Incorporation, Memorandum and Articles of Association of the Target Company.
- Copy of annual report of the Target Company for the financial year ending March 31, 2019, March 31, 2020, March 31, 2021 and unaudited limited review financial statement for three-months period ended June 30, 2021.
- Copy of Escrow Agreement entered into between the Acquirer, Manager to the Offer and Escrow Bank.
- Copy of letter received from the Escrow Bank, confirming receipt of the requisite escrow amount in the Escrow Account on August 27, 2021.
- Copy of Public Announcement dated August 26, 2021, published copy of the Detailed Public Statement published on September 2, 2021.
- Observation letter bearing reference number [●] dated [●] received from SEBI.
- A copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company.

## **XII. DECLARATION BY THE ACQUIRER**

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer has relied on the information provided by the Target Company and have not independently verified the accuracy of

details of the Target Company. Subject to the aforesaid, the Acquirer and its Director, accept full responsibility for the information contained in this Draft Letter of Offer and also accept responsibility for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 2011. The Acquirer shall be responsible for ensuring compliance with the SEBI (SAST) Regulations, 2011.

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

<b>ACQUIRER</b>
<b>Registered Office Address:</b> 6/10 Shanti Niketan, New Delhi - 110 021, India; <b>Sd/-</b>

**Place:** Secunderabad

**Date:** September 9, 2021