

Date: October 09, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai – 400 001
Maharashtra, India

To,
National Stock Exchange of India Limited
Exchange Plaza, 3rd Floor
Plot No.3-1, G Block, I.F.B. Centre,
Bandra-Kurla-Complex, Bandra (East)
Mumbai – 400 051, Maharashtra, India

Dear Sir/Madam,

SUB: SUBMISSION OF DRAFT LETTR OF OFFER (“DLOF”) IN RELATION TO AN OPEN OFFER FOR ACQUISITION OF UP TO 2,17,64,907 (TWO CRORE SEVENTEEN LAKH SIXTY FOUR THOUSAND NINE HUNDRED AND SEVEN ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 2/- (INDIAN RUPEES TWO ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26.00% THE EXPANDED VOTING SHARE CAPITAL FROM THE ELIGIBLE SHAREHOLDERS OF SHALIMAR PAINTS LIMITED (“TARGET COMPANY”) BY HELLA INFRA MARKET PRIVATE LIMITED (“ACQUIRER”) (“OFFER”/ “OPEN OFFER”).

We Swastika Investmart Limited has been appointed as the Manager to the Open Offer pursuant to and in accordance with Regulation 12(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and subsequent amendments thereto (“SEBI (SAST) Regulations”).

Further, in connection to the Open Offer, the public announcement was made by the Acquirer on September 27, 2023 and accordingly, in terms of regulation 13 read along with regulation 14 of the SEBI (SAST) Regulations, a Detailed Public Statement has been released to appear on September 30, 2023 (“DPS”).

Pursuant to Regulation 18 of the SEBI (SAST) Regulations, We Swastika Investmart Limited, are hereby submitting a pdf copy of the Draft Letter of Offer.

All capitalised terms not defined herein shall have the same meaning, as specified in the enclosed DLOF.

We request you to kindly upload the DLOF on your website at the earliest.

Yours faithfully,

Swastika Investmart Limited,

Sunil Nyati,
Chairman and Managing Director
DIN: 00015963

Enclose: As above

DRAFT LETTER OF OFFER**“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”**

The Letter of Offer (*as defined below*) will be sent to you as an Eligible Shareholder (*as defined below*) of Shalimar Paints Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer (*as defined below*)/ Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was effected.

HELLA INFRA MARKET PRIVATE LIMITED (“Acquirer”)

A private limited company incorporated under the Companies Act, 2013

Registered Office: Unit No. 401 to 413, Opal Square Plot No. C-1, Wagle Estate, Thane (West), Maharashtra-400604;

CIN: U46632MH2016PTC283737; **Tel No.:** +91 22 35062000; **Website:** www.infra.market

MAKES A CASH OFFER TO ACQUIRE UP TO 2,17,64,907 (TWO CRORE SEVENTEEN LAKH SIXTY FOUR THOUSAND NINE HUNDRED AND SEVEN) FULLY PAID-UP EQUITY SHARES OF THE TARGET COMPANY HAVING FACE VALUE OF INR 2/- (INDIAN RUPEES TWO ONLY) EACH (“OFFER SHARES”), REPRESENTING 26.00% OF THE EXPANDED VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY, AT A PRICE OF INR 165/- (INDIAN RUPEES ONE HUNDRED SIXTY FIVE ONLY) PER OFFER SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE ELIGIBLE SHAREHOLDERS OF

SHALIMAR PAINTS LIMITED (“Target Company”)

A public limited company incorporated under the Companies Act, 1956

Registered Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana-122001, India;

CIN: L24222HR1902PLC065611; **Tel No.:** +91-124-4616600, +91-124-4616617; **Fax No.:** +91-124-4616659;

Website: www.shalimarpaints.com

1. This Open Offer (*as defined below*) is being made by the Acquirer, pursuant to and in compliance with Regulations 3(1) and 4, and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this draft letter of offer (“**Draft Letter of Offer**” or “**DLOF**”), to the best of the knowledge of the Acquirer, there are no statutory or other approval(s) required to acquire the Offer Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transactions (*as defined below*), save and except as set out in paragraph 7.4 (*Statutory and other Approvals*) of this DLOF. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained. Where the statutory approvals extend to some but not all Eligible Shareholders, the Acquirer will have the option to make payment to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price (*as defined below*) or the Offer Size (*as defined below*) at any time prior to the commencement of the last 1 (One) Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*). In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall (i) make corresponding increases to the escrow amount in the Escrow Account, (ii) make an announcement in the same newspapers in which the DPS (*as defined below*) was published, and (iii) simultaneously notify the Stock Exchanges (*as defined below*), SEBI (*as defined below*) and the Target Company at its registered office. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the LOF.
6. The Acquirer may withdraw the Open Offer in accordance with the condition specified in paragraph 7.4.5 of this DLOF. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
7. **There is no competing offer as on the date of this DLOF. If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
8. Copies of the Public Announcement (“**PA**”) and the Detailed Public Statement (“**DPS**”) are available and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of the Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

All future correspondence should be addressed to the Manager to the Offer/Registrar to the Offer at the addresses mentioned below:

| MANAGER TO THE OFFER | REGISTRAR TO THE OFFER |
|--|--|
|  <p>Swastika Investmart Limited Registered Office: Flat No.18, 2nd Floor, North Wing, Madhaveshwar Co-operative Housing Society Ltd, Madhav Nagar, 11/12, S. V. Road, Andheri W, Mumbai (MH) – 400058 Merchant Banking Division: 48 Jaora Compound, MYH Road, Indore (MP) – 452001 Contact person: Mohit Goyal Tel no.: +91 731 6644244; Fax no.: +91 731 6644300 E-mail: merchantbanking@swastika.co.in Investor Grievance: mb.investorgrievance@swastika.co.in Website: www.swastika.co.in SEBI registration: INM000012102 Validity period: Permanent</p> |  <p>BEETAL Financial & Computer Services Private Limited Address: “BEETAL HOUSE”, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062 Contact person: Punit Kumar Mittal Tel no.: 011-29961281-83,26051061, 26051064 Fax no.: 011-29961284 Email: beetal@beetalfinancial.com, beetalrta@gmail.com Website: www.beetalfinancial.com SEBI registration: INR000000262 Validity period: Permanent</p> |

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

| Sr. No. | Activity | Date ⁽¹⁾ | Day ⁽¹⁾ |
|---------|---|---------------------|--------------------|
| 1. | Date of the PA | September 27, 2023 | Wednesday |
| 2. | Date of publication of the DPS | September 30, 2023 | Saturday |
| 3. | Date of filing of this DLOF with SEBI | October 09, 2023 | Monday |
| 4. | Last date for the public announcement for competing offer(s) | October 23, 2023 | Monday |
| 5. | Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager) | October 31, 2023 | Tuesday |
| 6. | Identified Date ⁽²⁾ | November 02, 2023 | Thursday |
| 7. | Last date by which the LOF is to be dispatched to the Eligible Shareholders whose names appear in the register of members on the Identified Date | November 09, 2023 | Thursday |
| 8. | Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Eligible Shareholders for this Open Offer | November 15, 2023 | Wednesday |
| 9. | Last date for upward revision of the Offer Price / Offer Size | November 15, 2023 | Wednesday |
| 10. | Date of publication of Offer opening public announcement in the newspapers in which the DPS has been published | November 16, 2023 | Thursday |
| 11. | Date of commencement of the Tendering Period (" Offer Opening Date ") | November 17, 2023 | Friday |
| 12. | Date of closure of the Tendering Period (" Offer Closing Date ") | December 01, 2023 | Friday |
| 13. | Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the Eligible Shareholders | December 15, 2023 | Friday |
| 14. | Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published | December 22, 2023 | Friday |

Notes:

- (1) *The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various statutory/regulatory authorities and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.*
- (2) *The Identified Date is only for the purpose of determining the Eligible Shareholders as on such date to whom the LOF will be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except those who are excluded from the ambit of Eligible Shareholders) are eligible to participate in the Open Offer at any time during the Tendering Period.*

RISK FACTORS RELATING TO THE UNDERLYING TRANSACTIONS, OPEN OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER

For capitalized terms used herein, please refer to the section on Definitions set out below.

A. Risks relating to the Underlying Transactions and Open Offer

- a. This Open Offer is an offer under the SEBI (SAST) Regulations to acquire up to 2,17,64,907 Equity Shares ("**Offer Shares**") representing 26.00% of the Expanded Voting Share Capital ("**Offer Size**"). In the event that the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept the Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis in consultation with the Manager. Accordingly, there is no assurance that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted. The lien marked against the unaccepted Equity Shares tendered by the Eligible Shareholders shall be released in accordance with the schedule of activities for the Open Offer.
- b. To the best knowledge of the Acquirer, as on the date of this DLOF, there are no statutory or other approvals required for consummation of the Underlying Transactions or for acquisition of Offer Shares that are validly tendered pursuant to the Open Offer or to complete the Open Offer, other than as indicated in paragraph 7.4 of this DLOF. However, in case any statutory approvals become applicable and are required by the Acquirer at a later date before the completion of the Open Offer, this Open Offer shall be subject to receipt of such approvals. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw this Open Offer, in the event any statutory or other approvals specified in paragraph 7.4 of this DLOF or those which become applicable prior to completion of the Open Offer are not received or finally refused, for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- c. If, (a) there is delay in receipt of any applicable statutory or other approvals; (b) there is any litigation leading to a stay on the Open Offer; or (c) SEBI instructs the Acquirer to suspend the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Eligible Shareholders whose Equity Shares have been accepted in this Open Offer as well as return/ release of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approval(s) in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Eligible Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Eligible Shareholders, the Acquirer will have the option to make payment to such Eligible Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
- d. All Eligible Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from RBI) 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 (including non-resident Indian ("**NRI**"), overseas corporate body ("**OCB**"), foreign institutional investors ("**FIIs**") or foreign portfolio investors ("**FPIs**")) had required any approvals (including from the RBI, or any other regulatory body) in respect of the

Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. Eligible Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.

- e. The Eligible Shareholders should note that in terms of the SEBI (SAST) Regulations, Equity Shares once tendered in the Open Offer cannot be withdrawn by the Eligible Shareholders even in the event of a delay in the acceptance of the Equity Shares under the Offer and/ or the payment of consideration. A lien shall be marked against the Equity Shares tendered in the Offer by the Eligible Shareholders until the completion of the formalities of this Offer. Once tendered, the Eligible Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Eligible Shareholders who have tendered their Equity Shares in this Open Offer. Accordingly, neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Eligible Shareholder on whether or not to participate in the Offer. It is understood that the Eligible Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- f. In terms of circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, Eligible Shareholders holding Equity Shares in physical form are allowed to tender their Equity Shares in the Open Offer. However, the acceptance of the Equity Shares in physical form tendered in this Open Offer would be conditional on the Eligible Shareholders holding the physical Equity Shares and wishing to tender the same in the Open Offer, following the process laid down in more detail in this DLOF, diligently and submitting all the required documents for the purpose of ensuring that their physical Equity Shares can be verified and confirmed by the Registrar to the Offer.
- g. The DLOF/LOF, together with the DPS and the PA in connection with the Offer have been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and have not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF/LOF who are resident in jurisdictions outside India should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction 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.
- h. No action has been or will be taken to permit this Open Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Eligible Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Eligible Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5.00% of the voting rights of the Target Company, the Acquirer may refrain from sending the LOF into such jurisdiction; provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.

- i. The Underlying Transactions and/ or this Open Offer is subject to completion risks as would be applicable to similar transaction.
- j. The acquisition of Conversion Shares (*as defined below*) by the Acquirer pursuant to issuance of the Conversion Notice (*as defined below*) is subject to completion of requisite corporate actions/ steps by the Target Company. The number of Equity Shares acquired by the Acquirer under the SE Share Purchase is subject to the then prevailing market conditions.
- k. Eligible Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer. The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any 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 do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the DLOF.
- l. 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 Open Offer acceptance forms, etc.), and Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- m. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer in relation to the Open Offer. Notwithstanding the above, the Acquirer and the Manager to the Offer do not accept responsibility for the statements made and information with respect to the Target Company (which has been compiled from information published or publicly available sources or provided by the Target Company) as set out in the PA, DPS, DLOF, LOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer. The accuracy of such details of the Target Company have not been independently verified by the Acquirer or the Manager to the Offer. Anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.
- n. The information contained in this DLOF is as of the date of this DLOF unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this DLOF.

B. Relating to the Acquirer

- a. The Acquirer and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Eligible Shareholders on whether or not to participate in the Open Offer.
- b. The Acquirer and Manager to the Offer make no assurance with respect to their investment/ divestment decisions relating to their proposed shareholding in the Target Company.
- c. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Eligible Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

- d. Pursuant to completion of the Underlying Transactions and this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time period, and in a manner acceptable to the Acquirer.

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

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

This DLOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

The Open Offer described in this DLOF is not being made to, nor will tender of shares be accepted from or on behalf of Eligible Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR U.S. PERSONS

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Eligible Shareholders in the U.S. should be aware that this DLOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this DLOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

CURRENCY OF PRESENTATION

In this DLOF, all references to “Indian Rupees” or “INR” are references to the Indian Rupee(s).

In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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FORM OF ACCEPTANCE AND SHARE TRANSFER FORM

1. DEFINITIONS

| | |
|--------------------------------------|--|
| Acquirer | Hella Infra Market Private Limited |
| AOP | Association of persons |
| Board | Board of directors |
| BOI | Body of individuals |
| BSE | BSE Limited |
| Buying Broker | Swastika Investmart Limited |
| CBDT | Central Board of Direct Taxes |
| CDSL | Central Depository Services (India) Limited |
| CKYC | Central know your client |
| CIN | Company Identification Number |
| Clearing Corporation | NSE Clearing Limited |
| Conversion | Exercise of the right to subscribe to 57,47,126 Equity Shares in lieu of Warrants (<i>as defined below</i>) held by the Acquirer pursuant to issuance of the Conversion Notice |
| Conversion Notice | Notice dated September 27, 2023 issued by Acquirer to Target Company for conversion of Warrants |
| Depositories | CDSL and NSDL |
| Designated Stock Exchange | NSE |
| DIN | Director Identification Number |
| DLOF/Draft Letter of Offer | This Draft Letter of Offer dated October 9, 2023 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations |
| DP | Depository participant |
| DPS/Detailed Public Statement | Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer on September 30, 2023 in the newspapers mentioned in paragraph 3.2.2 of this DLOF |
| DTAA | Double Taxation Avoidance Agreement |
| Eligible Shareholders | All shareholders of the Target Company, excluding the Acquirer and persons deemed to be acting in concert with the Acquirer |
| EPS | Earnings per share |
| Equity Share(s) | Fully paid-up equity shares of the Target Company of face value of INR 2/- (Indian Rupees Two only) each |
| Escrow Agent | HDFC Bank Limited |
| Escrow Agreement | Escrow Agreement executed by and between the Acquirer, the Manager and the Escrow Agent |
| ESOPs | Employee stock options |
| Expanded Voting Share Capital | The total voting equity share capital of the Target Company after taking into account all potential increases in the voting equity share capital expected as of the 10 th (Tenth) Working Day from the closure of the tendering period for the Offer. This includes (i) 57,47,126 Equity Shares to be allotted by the Target Company to the Acquirer pursuant to Conversion (<i>as defined below</i>); (ii) 26,81,992 warrants of the Target Company, each carrying the right to subscribe 1 (One) Equity Share, held by JSL Limited, one of the existing members of the promoter group of the Target Company; and (iii) 30,65,134 warrants of the Target Company, each carrying the right to subscribe 1 (One) Equity Share, |

| | |
|--|--|
| | held by Virtuous Tradecorp Private Limited, one of the existing members of the promoter group of the Target Company. |
| FATCA | Foreign Account Tax Compliance Act |
| FEMA | The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time |
| FII/FPI | Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA |
| Form of Acceptance | Form of Acceptance-cum-Acknowledgement |
| GAAR | General Anti Avoidance Rules |
| HUF | Hindu Undivided Family |
| Identified Date | Date falling on the 10 th (Tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Eligible Shareholders to whom the LOF shall be sent |
| Income Tax Act/ IA Act | Income Tax Act, 1961 and subsequent amendments thereto |
| Indian Rupees or INR | Indian Rupees |
| IPV | In person verification |
| KRA | KYC registration agency |
| KYC | Know your client |
| LOF/Letter of Offer | Letter of offer dated [•], duly incorporating SEBI's comments on the DLOF, and including the Form of Acceptance, which shall be dispatched to the Eligible Shareholders |
| LTCA | Long-term Capital Asset |
| LTCG | Long Term Capital Gains |
| Manager/Manager to the Offer | Swastika Investmart Limited |
| Master Circular | SEBI's Master Circular dated February 16, 2023, bearing reference no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 |
| Maximum Consideration/ Maximum Open Offer Consideration | The total funding requirement for this Offer (assuming full acceptance), i.e. INR 359,12,09,655/- (Indian Rupees Three Hundred Fifty Nine Crore Twelve Lakh Nine Thousand Six Hundred Fifty Five only) |
| N.A./ NA | Not applicable |
| NOC | No Objection Certificate |
| NRI | Non-resident Indian as defined under FEMA |
| NSDL | National Securities Depository Limited |
| NSE | The National Stock Exchange of India Limited |
| OCB(s) | Overseas Corporate Bodies |
| Offer/Open Offer | Open Offer for acquisition of up to 2,17,64,907 Equity Shares representing 26.00% of the Expanded Voting Share Capital at the Offer Price, payable in cash |
| Offer Closing Date | Expected date of closure of the Tendering Period, i.e. December 1, 2023 |
| Escrow Account | Escrow account named "HIMPL- Open Offer Escrow Account" opened with the Escrow Agent in terms of the Escrow Agreement |
| Offer Opening Date | Expected date of commencement of the Tendering Period, i.e. November 17, 2023 |
| Offer Period | Period as defined in the SEBI (SAST) Regulations |

| | |
|--------------------------------|--|
| Offer Price | INR 165/- (Indian Rupees One Hundred Sixty Five only) per Equity Share, payable in cash |
| Offer Shares | Up to 2,17,64,907 Equity Shares representing 26.00% of the Expanded Voting Share Capital |
| Offer Size | Up to 2,17,64,907 Offer Shares representing 26.00% of the Expanded Voting Share Capital |
| OSV | Original seen and verified |
| PA/Public Announcement | Public announcement dated September 27, 2023 issued by the Manager on behalf of the Acquirer, in connection with the Offer |
| Registrar to the Offer | BEETAL Financial & Computer Services Private Limited |
| RBI | Reserve Bank of India |
| SCRR | Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereto |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto |
| SE Shares | Upto 1,00,00,000 Equity Shares proposed to be acquired by the Acquirer on the Stock Exchanges |
| SE Share Purchase | Proposed acquisition of SE Shares through Stock Exchanges in one or more tranches by placement of purchase order(s) by the Acquirer with its stock broker on or after September 28, 2023 |
| STCA | Short-term Capital Asset |
| STCG | Short Term Capital Gains |
| Stock Exchanges | Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE and NSE |
| STT | Securities Transaction Tax |
| Target Company | Shalimar Paints Limited |
| Tendering Period | Period expected to commence on November 17, 2023 and close on December 1, 2023, both days inclusive |
| TRC | Tax Residence Certificate |
| TRS | Transaction Registration Slip |
| Warrants | 57,47,126 warrants of the Target Company issued to the Acquirer on April 13, 2022 |
| Working Day | Working days of SEBI as defined in the SEBI (SAST) Regulations |

Note: All capitalized terms used in this DLOF and not specifically defined herein shall have the meaning ascribed to them in the SEBI (SAST) Regulations.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE ELIGIBLE SHAREHOLDERS OF SHALIMAR PAINTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER – SWASTIKA INVESTMART LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 9, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

General Disclaimer

This DLOF together with the Public Announcement dated September 27, 2023, and the DPS that was published on September 30, 2023, in connection with the Offer, has been prepared for the purposes of compliance with applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this DLOF and/or the LOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and/or the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date, nor is it to be implied that the Acquirer or any persons deemed to act in concert with them are under any obligations to update the information contained herein at any time after this date.

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

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

3. DETAILS OF THE OFFER

3.1. Background of the Offer

- 3.1.1. The Offer is a mandatory open offer being made by the Acquirer to the Eligible Shareholders of the Target Company in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
- 3.1.2. The Acquirer issued a notice dated September 27, 2023 to the Target Company for exercising its right to subscribe to 57,47,126 Equity Shares, representing 6.87% of the Expanded Voting Share Capital, in lieu of 57,47,126 warrants of the Target Company ("**Warrants**") held by it ("**Conversion Notice**").
- 3.1.3. Further, the Acquirer proposed to place purchase order(s) with its stock broker on or after September 28, 2023 to purchase upto 1,00,00,000 Equity Shares, representing 11.95% of the Expanded Voting Share Capital ("**SE Shares**"). The SE Shares would be purchased in one or more tranches on the Stock Exchanges until such period as permitted under applicable laws (including the SEBI (SAST) Regulations). The Board of the Acquirer has, at its meeting held on September 27, 2023, *inter alia* approved the aforesaid acquisition for an aggregate consideration not exceeding INR 165,00,00,000/- (Indian Rupees One Hundred Sixty Five Crore Only). Accordingly, the Acquirer proposes to place order(s) for the aforesaid purchase(s) at or below INR 165/- (Indian Rupees One Hundred Sixty Five only) per Equity Share ("**SE Share Price**"). In the event the Acquirer is required to make any revisions to the SE Share Price and purchase any SE Share(s) at a price exceeding the Offer Price due to any reason whatsoever, the Acquirer would revise the Offer Price to the highest price paid by the Acquirer in accordance with the provisions of the SEBI (SAST) Regulations.
- 3.1.4. Pursuant to the aforementioned transactions the Acquirer would be acquiring a substantial stake (i.e. shares/voting rights in excess of 25% of the Expanded Voting Share Capital) and also desires to exercise joint control over the Target Company along with the existing promoters of the Target Company. Accordingly, the Acquirer will become one of the promoters of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations.
- 3.1.5. The transactions set out in paragraphs 3.1.2 to 3.1.4 above ("**Underlying Transactions**") require the Acquirer to make an Open Offer in accordance with the SEBI (SAST) Regulations.
- 3.1.6. A tabular summary of the Underlying Transactions is set out below:

| Details of Underlying Transactions | | | | | | |
|--|--|---|--|---|------------------------------------|---|
| Type of transaction (direct/ indirect) | Mode of transaction (agreement/ allotment/ market purchase) | Shares / voting rights acquired / proposed to be acquired | | Total consideration for shares / voting rights acquired | Mode of payment (cash/ securities) | Regulation which has triggered |
| | | Number | % vis à vis total equity / voting capital ⁽²⁾ | | | |
| Direct | Exercise of the right to subscribe to 57,47,126 Equity Shares in lieu of Warrants held by the Acquirer pursuant to issuance of the Conversion Notice (" Conversion "). ⁽¹⁾ | 57,47,126 Equity Shares | 6.87% | INR 74,99,99,943 ⁽³⁾ | Cash | Regulations 3(1) and 4 of the SEBI (SAST) Regulations |

| | | | | | | |
|--------|--|--------------------------------|--------|--|------|--|
| Direct | Proposed acquisition of SE Shares (i.e. upto 1,00,00,000 Equity Shares) through Stock Exchanges in one or more tranches until such period as permitted under applicable laws (including the SEBI (SAST) Regulations) by placement of purchase order(s) by the Acquirer with its stock broker on or after September 28, 2023 (“SE Share Purchase”). ⁽¹⁾⁽⁴⁾ | Upto 1,00,00,000 Equity Shares | 11.95% | Not exceeding INR 165,00,00,000 ⁽⁴⁾ | Cash | |
| Direct | Exercise of joint control alongwith the existing promoters of the Target Company and being named as a promoter of the Target Company (“Exercise of Control”). ⁽¹⁾ | - | - | - | - | |

Notes:

- (1) Please refer to paragraphs 3.1.2 to 3.1.4 above for further details in connection with the Underlying Transactions.
- (2) Calculated as a percentage of the Expanded Voting Share Capital.
- (3) An amount equivalent to 25% of the total consideration (i.e., INR 18,74,99,985.75/-) was paid by the Acquirer at the time of subscription and allotment of Warrants, and the balance 75% of the total consideration (i.e., INR 56,24,99,957.25/-) is payable by the Acquirer to the Target Company at the time of allotment of 57,47,126 Equity Shares pursuant to Conversion.
- (4) The Acquirer proposes to place order(s) for purchasing the Equity Shares at a price not exceeding INR 165/- (Indian Rupees One Hundred Sixty Five Only) per Equity Share. In the event, if any SE Share Purchase is at a price higher than the Offer Price as a result of subsequent revisions in the order(s) placed or any other reason whatsoever, then the Offer Price would be revised to the highest price paid by the Acquirer for acquisition of the Equity Shares pursuant to the SE Share Purchase.

3.1.7. Salient features of the Warrants:

- (i) **Issuance and allotment of Warrants:** The Warrants had been allotted to the Acquirer on April 13, 2022 pursuant to the approval of (a) the Board of the Target Company, at its meeting held on March 8, 2022; and (b) the shareholders’ of the Target Company at the extra-ordinary general meeting of the Target Company held on March 31, 2022, at a price of INR 130.50/- (Indian Rupees One Hundred Thirty and Fifty Paise only) per Warrant aggregating to INR 74,99,99,943/- (Indian Rupees Seventy Four Crore Ninety Nine Lakh Ninety Nine Thousand Nine Hundred Forty Three only).
- (ii) **Key terms and conditions:**
- (a) An amount equivalent to 25% of the consideration shall be payable at the time of subscription and allotment of each of the Warrants, and the balance 75% of the consideration shall be payable at the time of allotment of Equity Shares pursuant to exercise of right attached to the Warrants to subscribe to the Equity Shares. The amount paid against warrants shall be adjusted / set-off against the issue price for the resultant Equity Shares;
- (b) The right attached to Warrants may be exercised by the Acquirer, in one or more tranches, during the period commencing from the date of allotment of Warrants until the expiry of 18 (Eighteen) months from the date of allotment of the Warrants, by issuing a written notice to the Target Company specifying the number of Warrants proposed to be converted along with the aggregate amount payable thereon. The

Board of the Target Company shall accordingly, without any further approval from the shareholders of the Target Company, issue and allot the corresponding number of Equity Shares in the dematerialized form;

- (c) In the event the right attached to the Warrants is not exercised within 18 (Eighteen) months from the date of allotment of Warrants, the unexercised Warrants shall lapse and the amount paid by the Acquirer in relation to such Warrants, at the time of subscription, shall stand forfeited;
 - (d) The Equity Shares to be allotted on exercise of Warrants (if applicable) shall be fully paid-up and rank *pari passu* with the existing Equity Shares in all respects (including with respect to dividends and voting rights);
 - (e) The price of the Warrants and the number of Equity Shares to be allotted on conversion of the Warrants shall be subject to appropriate adjustments as permitted under applicable laws; and
 - (f) The Warrants itself, until exercised and converted into Equity Shares, shall not give any rights/ entitlements with respect to that of an equity shareholder.
- (iii) **Conversion Notice:** Pursuant to the terms of the Warrants, the Board of the Acquirer, at its meeting held on September 27, 2023, *inter alia* passed resolutions authorizing the Acquirer to exercise its discretion to exercise its right to subscribe to 57,47,126 Equity Shares in lieu of the Warrants. Accordingly, the Acquirer issued the Conversion Notice exercising its right to subscribe to 57,47,126 Equity Shares, representing 6.87% of the Expanded Voting Share Capital, in lieu of Warrants.
- 3.1.8. The Acquirer may acquire the Equity Shares pursuant to the Conversion and the SE Share Purchase in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations. If so, such Equity Shares will be kept in a share escrow account ("**Share Escrow**"). The Acquirer will not be entitled to exercise voting rights with respect to the Equity Shares kept in the Share Escrow, as required under the SEBI (SAST) Regulations. The Acquirer will be permitted to transfer such Equity Shares to its demat account and exercise voting rights in relation thereto either after the expiry of the Offer Period or after compliance with requirements specified in Regulation 22(2) of the SEBI (SAST) Regulations, as the case may be.
- 3.1.9. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the PA, DPS and the LOF that will be sent to the Eligible Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
- 3.1.10. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 3.1.11. As on the date of this DLOF, there are no directors appointed by the Acquirer on the Board of the Target Company except for Mr. Souvik Pulakesh Sengupta (promoter and director of Acquirer) who is a non-executive non-independent director on the Board. The Acquirer may at its discretion seek to effect changes to the Board of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations and the SEBI (SAST) Regulations). No proposal in this regard has been finalised as on the date of this DLOF.

3.1.12. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Eligible Shareholders of the Target Company and such recommendation shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.

3.1.13. As per the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with the SCRR, on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Offer and pursuant to consummation of the Underlying Transactions, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time period, and in a manner acceptable to the Acquirer.

3.2. Details of the proposed Offer

3.2.1. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was filed with the Stock Exchanges and SEBI on September 27, 2023, and a copy thereof was also sent to the Target Company on September 27, 2023. The PA is available on the website of SEBI at www.sebi.gov.in.

3.2.2. In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on September 30, 2023:

| Newspapers | Language | Editions |
|-------------------|----------|--------------|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Pratahkal | Marathi | Mumbai |
| Financial Express | Gujarati | Ahmedabad |

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on September 30, 2023. The DPS is also available on the website of SEBI at www.sebi.gov.in.

3.2.3. This Open Offer is being made by the Acquirer to all the Eligible Shareholders to acquire up to 2,17,64,907 Equity Shares ("**Offer Shares**"), representing 26.00% of the Expanded Voting Share Capital ("**Offer Size**"), at a price of INR 165/- (Indian Rupees One Hundred Sixty Five only) per Offer Share ("**Offer Price**"), aggregating to a total consideration of up to INR 359,12,09,655/- (Indian Rupees Three Hundred Fifty Nine Crore Twelve Lakh Nine Thousand Six Hundred Fifty Five only) ("**Maximum Open Offer Consideration**").

3.2.4. The Offer Price has been calculated in accordance with Regulations 8(1) and 8(2) read with Regulation 8(6) of the SEBI (SAST) Regulations. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.2.5. As on the date of this DLOF, there are no partly paid-up Equity Shares, shares carrying differential voting rights, and/ or convertible instruments (such as depository receipts, fully convertible debentures, warrants, convertible preference shares etc.) issued by the Target Company which are convertible into Equity Shares of the Target Company, save and except as specified in this DLOF including 26,81,992 and 30,65,134 warrants allotted to JSL Limited and Virtuous Tradecorp Private Limited (entities forming part of promoter group of the Target

Company), respectively. As on date of this DLOF, there are no Equity Shares which are (a) forfeited or kept in abeyance; or (b) locked-in. There is no differential pricing for this Offer.

3.2.6. This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations. This Offer is not conditional upon any minimum level of acceptance from the Eligible Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

3.2.7. The Acquirer has not acquired any Equity Shares from the date of the Public Announcement to the date of the DPS (whether pursuant to the Conversion, SE Share Purchase or otherwise). Thereafter, the Acquirer has undertaken the following acquisitions of Equity Shares, pursuant to the SE Share Purchase, in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations, details of which are set out below:

| Date | No of Equity Shares acquired by the Acquirer | Average price per Equity Share (INR) | Total consideration (INR) |
|------------------|--|--------------------------------------|---------------------------|
| October 03, 2023 | 12,00,000 ⁽¹⁾ | 164.37/- | 19,72,44,000 |
| October 09, 2023 | 76,000 ⁽²⁾ | 164.71/- | 1,25,17,747 |

Notes:

(1) A disclosure regarding this acquisition has been made by the Acquirer on October 03, 2023 under Regulation 18(6) of the SEBI (SAST) Regulations.

(2) A disclosure regarding this acquisition will be made by the Acquirer under Regulation 18(6) of the SEBI (SAST) Regulations within specified timelines.

3.2.8. Since the aforesaid Equity Shares have been acquired during the Offer Period, they have been placed in the Share Escrow opened with Swastika Investmart Limited, in terms of Regulation 22(2A) of the SEBI (SAST) Regulations. Such Equity Shares shall be released to Acquirer's demat account and Acquirer can exercise voting rights on such Equity Shares upon the earlier of: (i) expiry of 21 (Twenty One) Working Days from the date of the DPS, provided the Maximum Open Offer Consideration has been deposited in cash in the Escrow Account; or (ii) expiry of the Offer Period of the Open Offer, as determined in accordance with the SEBI (SAST) Regulations. Pursuant to the aforesaid acquisition, as on the date of this DLOF, the Acquirer holds 1,93,21,745 Equity Shares representing 23.08% of the Expanded Voting Share Capital.

3.2.9. The Manager does not hold any Equity Shares in the Target Company as on the date of this DLOF. The Manager shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

3.3. Object of the acquisition/Offer

3.3.1. The prime objective of the Acquirer for undertaking the Underlying Transactions and the Open Offer is to acquire substantial stake (i.e. shares/ voting rights in excess of 25% of the Expanded Voting Share Capital) and exercise joint control over the Target Company alongwith the existing promoters of the Target Company and being named as a promoter of the Target Company. The purpose of acquisition is to have joint control over the Target Company and enter into paint product portfolio, which is in line with the Acquirer's strategy of inorganic growth. The Acquirer has identified the Target Company to be suitable considering the complementary nature of business of both the Target Company and the Acquirer. The Target Company provides synergies in the form of expanding the product portfolio for the Acquirer which will create significant value over the period. Following the completion of the Open Offer, the Acquirer plans to assist the Target Company's management in its efforts to continue its steady growth.

3.3.2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, subsequent to the completion of the Offer, the Acquirer reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/ reconstruction, restructuring, merger, demerger and/or sale of assets or business or undertakings, at a later date. The Acquirer may also consider disposal of or otherwise encumbering any assets of the Target Company through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, liabilities of the Target Company whether within or outside the ordinary course of business, to improve operational efficiencies and for other commercial reasons. Decision on these matters will be based on the requirements of the business of the Target Company and/ or its subsidiary/(ies), if any, and such decision will be taken in accordance with and as permitted by applicable laws.

4. BACKGROUND OF THE ACQUIRER

Hella Infra Market Private Limited (“Acquirer”)

- 4.1.1. The Acquirer was incorporated as a public limited company under the provisions of the Companies Act, 2013 on July 15, 2016 as Bizarro Infra Limited. Subsequently its name was changed to Hella Infra Market Limited with effect from May 03, 2018. Further, with effect from January 21, 2021, the Acquirer converted into a private limited company pursuant to which its name was changed to its present name i.e., Hella Infra Market Private Limited.
- 4.1.2. The registered office of the Acquirer is situated at Unit No. 401 to 413, Opal Square Plot No. C-1, Wagle Estate, Thane (West), Maharashtra - 400604, India and its CIN is U46632MH2016PTC283737.
- 4.1.3. The Acquirer is primarily engaged in the business of buying, manufacturing, selling, importing, exporting, supplying, distributing, storing of construction related material including ready mix concrete, fly ash, aggregates, steel, cement, granite, tiles, electricals, chemicals, AAC blocks, gypsum plaster, block jointing mortar, granite, plumbing and bath fittings, paints, modular kitchen, etc. It operates under the brand name of ‘Infra.Market’.
- 4.1.4. The securities of the Acquirer are not listed on any stock exchange in India or abroad.
- 4.1.5. As on the date of this DLOF, the issued and paid-up equity share capital of the Acquirer (on a non-fully diluted basis) is INR 35,39,010/- (Indian Rupees Thirty Five Lakh Thirty Nine Thousand and Ten only) comprising of 3,53,901 (Three Lakh Fifty Three Thousand Nine Hundred and One) equity shares of INR 10/- (Indian Rupees Ten only) each. As on the date of this DLOF, (i) the issued preference share capital of the Acquirer (on a non-fully diluted basis) is INR 1,36,14,030/- (Indian Rupees One Crore Thirty Six Lakh Fourteen Thousand and Thirty only) comprising of 1,12,623 (One Lakh Twelve Thousand Six Hundred and Twenty Three) preference shares of INR 10/- (Indian Rupees Ten only) each and 4,16,260 (Four Lakh Sixteen Thousand Two Hundred and Sixty) preference shares of INR 30/- (Indian Rupees Thirty only) each; and (ii) the paid-up preference share capital of the Acquirer (on a non-fully diluted basis) is INR 1,31,51,079/- (Indian Rupees One Crore Thirty One Lakh Fifty One Thousand and Seventy Nine only) comprising of 1,12,623 (One Lakh Twelve Thousand Six Hundred and Twenty Three) preference shares of INR 10/- (Indian Rupees Ten only) each and 4,16,260 (Four Lakh Sixteen Thousand Two Hundred and Sixty) preference shares of INR 30/- (Indian Rupees Thirty only). In this paragraph 4.1.5 of the DLOF, paid-up preference share capital consists of 15,030 (Fifteen Thousand and Thirty only) preference shares of INR 30/- each, being partly paid to the extent of INR 1/- (Indian Rupee One only), and 918 (Nine Hundred and Eighteen) preference shares of INR 30/- (Indian Rupees Thirty only) each, being partly paid to the extent of INR 0.5 only.

- 4.1.6. The Acquirer does not belong to any group. The equity shareholding pattern of the Acquirer as on date is set out below:

| SR NO | SHAREHOLDERS' CATEGORY | NUMBER OF SHARES | % (on fully diluted basis) ⁽¹⁾ |
|--------------|--|------------------|---|
| 1. | Promoters ⁽²⁾ | 3,11,800 | 31.72 |
| 2. | FII/Mutual Funds/FIs/Banks/VCF/AIF | 10,857 | 1.10 |
| 3. | Other public shareholders (includes 1,00,166 employee stock options) | 6,60,293 | 67.18 |
| 4. | Non-Promoter Non-Public | - | - |
| Total | | 9,82,950 | 100.00 |

Notes:

- (1) For the purpose of the aforesaid table, the fully diluted shareholding includes the compulsorily convertible preference shares, optionally convertible redeemable preference shares and employee stock options, each on an as converted and/ or exercised exchanged basis.
- (2) Mr. Souvik Pulakesh Sengupta, Mr. Aaditya Gajendra Sharda, Bizzaro Productions LLP, Bizzaro Advisory Limited, and Silverline Home Private Limited are promoters of the Acquirer.

- 4.1.7. No other person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations (“**Deemed PACs**”), such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 4.1.8. As on the date of this DLOF, the Acquirer holds 1,93,21,745 Equity Shares representing 23.08% of the Expanded Voting Share Capital. Further, as on the date of this DLOF, the Acquirer, its directors and key employees, do not have any relationship with and/or interest in the Target Company, except for as provided in this DLOF and (a) Mr Souvik Pulakesh Sengupta (promoter and director of Acquirer) is a non-executive non-independent director on the Board of the Target Company; (b) the Acquirer and its subsidiary have entered into separate distributorship agreements with the Target Company, pursuant to which *inter alia* they have been appointed as non-exclusive distributors for the products of the Target Company in India, and (c) the Acquirer occasionally supplies certain chemicals to the Target Company on an arm’s length basis.
- 4.1.9. Names, details of experience, qualifications, and date of appointment of the directors on the Board of the Acquirer, as on the date of this DLOF, are as follows:

| Name | Qualifications & Experience | Date of Appointment/ Reappointment |
|--|--|------------------------------------|
| Name: Mr Souvik Pulakesh Sengupta Designation: Director DIN: 07248395 | Qualifications: BCom, Chartered Accountant and MBA from Indian Institute of Management (Bangalore). Experience: Mr Souvik Sengupta is a chartered accountant with over 10 (ten) years of experience in P&L Ownership and Management. In his previous stints, Mr Sengupta was a part of Supreme Infrastructure India Limited (a listed engineering, procurement, and construction (EPC) company) and worked independently as a | July 05, 2018 |

| Name | Qualifications & Experience | Date of Appointment/ Reappointment |
|--|---|------------------------------------|
| | consultant for few EPC clients for a very short stint before co-founding the Acquirer. Presently, he looks after all the matters related to strategy, finance & accounts of the Acquirer. | |
| <p>Name: Mr Aaditya Gajendra Sharda Designation: Director DIN: 07024283</p> | <p>Qualifications: Alumnus of KJ Somaiya Arts & Commerce.</p> <p>Experience: Mr Aaditya Gajendra Sharda has more than 10 (ten) years of entrepreneurial experience in sales, operations and supply chain management of building material products. Presently, he looks after operational and sales aspects of the Acquirer.</p> | July 15, 2016 |
| <p>Name: Mr Prashanth Prakash Designation: Non-Executive Nominee Director DIN: 00041560</p> | <p>Qualifications: Masters in Computer Science from the University of Delaware.</p> <p>Experience: Mr Prashanth Prakash represents Accel India V (Mauritius) Limited, one of Acquirer’s key investors, on the Board of Acquirer. Mr Prakash joined Accel’s India team in 2008 and focuses on consumer internet services, online marketplaces, and SaaS. Over the years at Accel India, he has led many start-up investments and early-stage funding transactions and also represents Accel India on the boards of several portfolio companies. Further, Mr Prakash has recently been appointed as an advisor to Karnataka’s Chief Minister Mr. B S Yediyurappa on the strategy and planning front. He is also the chairman of Karnataka’s Vision group for start-ups.</p> | March 20, 2021 |
| <p>Name: Mr Sameer Verma Designation: Non-Executive Nominee Director DIN: 02670178</p> | <p>Qualifications: B.S. in Computer Engineering as an International & Founders Scholar from the Illinois Institute of Technology, Chicago.</p> <p>Experience: Mr Sameer Verma represents Nexus Ventures V Ltd., one of Acquirer’s key investors, on the Board of Acquirer. Mr Verma joined Nexus’s team in 2011 and focuses on consumer internet services, enterprise/SaaS, Ed-Tech, healthcare and B2B commerce domains. He has several years of experience in start-up funding transactions and is an early-stage venture investor himself.</p> | April 02, 2021 |

| Name | Qualifications & Experience | Date of Appointment/ Reappointment |
|--|--|------------------------------------|
| Name: Mr Rohit Batra Schanker Designation: Non-Executive Nominee Director DIN: 07795409 | Qualifications: B.A. in Economics and International Affairs from George Washington University, Washington D.C., USA. Experience: Mr Rohit Batra Schanker represents Evolve India, one of Acquirer's key investors, on the Board of Acquirer. He has over 16 years of experience in private equity, consulting and institutional broking. Mr Schanker joined Evolve's team in 2009 and prior to joining Evolve, he was an analyst at Bond & Pecaro, a boutique US consulting outfit with a niche focus on appraisals of media assets as a part of M&A in the broadcasting, print and cable industries. | May 04, 2021 |

- 4.1.10. As on the date of this DLOF, none of the directors of the Acquirer are on the Board of the Target Company, except for Mr. Souvik Pulakesh Sengupta, who is a non-executive non-independent director on the Board of the Target Company.
- 4.1.11. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.1.12. Neither the Acquirer nor any of its directors or key employees have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.13. The key financial information of the Acquirer based on its audited consolidated financial statements as of and for financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, audited by the statutory auditor of the Acquirer is set out below:

(In INR crore, except per share data)

| Profit & Loss Statement | As on and for the financial year ended March 31, 2023 ⁽¹⁾ | As on and for the financial year ended March 31, 2022 ⁽²⁾ | As on and for the financial year ended March 31, 2021 ⁽³⁾ |
|---|--|--|--|
| | (Audited) | (Audited) | (Audited) |
| Income from operations | 11,846.55 | 6,236.21 | 1,240.16 |
| Other Income | 44.28 | 48.86 | 4.78 |
| Total Income | 11,890.83 | 6,285.07 | 1,244.94 |
| Total Expenditure (excluding depreciation and Interest) | 11,090.92 | 5,887.65 | 1,181.29 |
| Profit before depreciation, interest and tax | 799.91 | 397.42 | 63.65 |
| Depreciation | 178.75 | 33.61 | 4.39 |
| Interest | 337.99 | 136.80 | 21.27 |
| Profit before tax | 283.17 | 227.01 | 37.99 |
| Share of net loss of associates | (9.03) | (0.59) | - |

| | | | |
|---------------------------------------|--------|--------|-------|
| accounted for using the equity method | | | |
| Provision for tax | 118.86 | 40.48 | 7.00 |
| Profit after tax | 155.28 | 185.94 | 30.99 |

(In INR crore, except per share data)

| Balance Sheet Statement | As on and for the financial year ended March 31, 2023 ⁽¹⁾ | As on and for the financial year ended March 31, 2022 ⁽²⁾ | As on and for the financial year ended March 31, 2021 ⁽³⁾ |
|---|--|--|--|
| | (Audited) | (Audited) | (Audited) |
| Sources of funds | | | |
| Paid-up share capital | 0.35 | 0.35 | 0.35 |
| Instruments entirely equity in nature | 1.32 | 1.30 | 1.02 |
| Reserves and Surplus (excluding revaluation reserves) | 2,520.37 | 2,211.82 | 719.04 |
| Net worth | 2,522.04 | 2,213.47 | 720.41 |
| Non-Current Debt | 878.33 | 852.10 | 57.85 |
| Lease liabilities and, provisions | 196.98 | 143.37 | 12.45 |
| Current Debt | 1,765.27 | 1,061.98 | 203.23 |
| Trade Payables | 1,702.35 | 719.86 | 44.45 |
| Current tax liabilities (net) | 81.45 | 11.44 | 2.58 |
| Other financial and Current liabilities | 137.80 | 73.57 | 9.57 |
| Total | 7,284.22 | 5,076.78 | 1,050.54 |
| Uses of funds | | | |
| Net Tangible , Intangible assets , deferred tax (net) | 1,617.65 | 1,079.10 | 75.01 |
| Investments | 291.91 | 270.96 | - |
| Net-current assets | 5,374.66 | 3,726.72 | 975.53 |
| Total miscellaneous expenditure not written off | - | - | - |
| Total | 7,284.22 | 5,076.78 | 1,050.54 |

(In INR crore, except per share data)

| Other Financial Data | As on and for the financial year ended March 31, 2023 ⁽¹⁾ | As on and for the financial year ended March 31, 2022 ⁽²⁾ | As on and for the financial year ended March 31, 2021 ⁽³⁾ |
|----------------------------|--|--|--|
| | (Audited) | (Audited) | (Audited) |
| Basic Earnings per share | 1,763.19 | 2,218.72 | 467.89 |
| Diluted Earnings per share | 1,688.57 | 2,117.81 | 458.69 |
| Dividends (%) | - | - | - |
| Return on net worth | 6.28% | 8.39% | 4.30% |
| Book value per share | 71,264.08 | 62,544.78 | 20,356.40 |

Notes:

(1) Extracted from consolidated audited financial statements for the financial year ended March 31, 2023.

(2) Extracted from consolidated audited financial statements for the financial year ended March 31, 2022.

(3) Extracted from consolidated audited financial statements for the financial year ended March 31, 2022, due to Ind AS adoption in 2022.

4.1.14. The contingent liabilities and commitments of the Acquirer as on March 31, 2023, as extracted from the Acquirer's consolidated audited financial statements as on and for the financial year ended March 31, 2023 are set out below:

(In INR crore)

| Particulars | As at and for the financial year ended March 31, 2023 |
|--|---|
| A. Contingent liabilities | |
| i. Claims against the Company not acknowledged as debts | |
| – Excise matters in respect of valuation of goods | 1.82 |
| – Excise matters in respect of classification of paver blocks | 1.63 |
| – Sales-tax matters in respect of sale to SEZ | 0.09 |
| – Sales-tax matters | 2.85 |
| ii. Goods and Service Tax | 0.68 |
| iii. Letter of credit | 2.77 |
| iv. Excise duty | 0.84 |
| v. Income tax | 1.26 |
| vi. Others (legal) | 4.33 |
| vii. Guarantees issued by the Group's bankers on behalf of the Group | 2.16 |
| | 18.43 |
| B. Capital commitments | |
| Capital commitments | 65.67 |

Notes:

- (1) The Acquirer does not expect any reimbursements in respect of the above contingent liabilities.
- (2) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at A (i) to (vii) above.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1. Shalimar Paints Limited is a public limited company. It was incorporated on December 16, 1902 as a private limited company under the name of Shalimar Paint, Colour and Varnish Company Private Limited. Thereafter, with effect from September 11, 1956, it was converted into a public limited company pursuant to which its name was changed to Shalimar Paint, Colour and Varnish Company Limited. Subsequently, the name of the Target Company was changed to its present name i.e. Shalimar Paints Limited with effect from September 18, 1963. There has been no change in the name of the Target Company in the last 3 (Three) years.
- 5.2. The registered office of the Target Company is situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana-122001, India and its corporate office is located at 1st Floor, Plot No. 28, Sector 32, Gurugram, Haryana-122001. The CIN of the Target Company is L24222HR1902PLC065611.
- 5.3. The Target Company is engaged in the business of manufacturing, selling, trading and marketing of decorative paints and industrial coatings.
- 5.4. The Equity Shares are listed on BSE (Scrip code: 509874) and NSE (Symbol: SHALPAINTS). The ISIN of the Equity Shares is INE849C01026.
- 5.5. The Equity Shares are frequently traded on NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 5.6. As of the date of this DLOF, (a) the authorized share capital of the Target Company is INR 20,00,00,000/- (Indian Rupees Twenty Crore only) divided into 10,00,00,000 Equity Shares of INR 2/- (Indian Rupees Two only); and (b) the total issued and paid-up share capital of the Target Company is INR 14,44,33,852/- (Indian Rupees Fourteen Crore Forty Four Lakh Thirty

Three Thousand Eight Hundred Fifty Two only) comprising of 7,22,16,926 Equity Shares of INR 2/- (Indian Rupees Two only) each.

5.7. As on the date of this DLOF, the Expanded Voting Share Capital is:

| Particulars | Issued and paid-up Equity Shares | % of Expanded Voting Share Capital |
|---|----------------------------------|------------------------------------|
| Fully paid-up Equity Shares | 7,22,16,926 | 86.27 |
| Partly paid-up Equity Shares | Nil | Nil |
| Equity Shares to be allotted by the Target Company to the Acquirer pursuant to Conversion | 57,47,126 | 6.87 |
| Warrants/convertible instruments convertible into Equity Shares ⁽¹⁾ | 57,47,126 | 6.87 |
| Expanded Voting Share Capital (Total) | 8,37,11,178 | 100.00 |

Note:

(1) JSL limited and Virtuuous Tradecorp Private Limited, existing members of the promoter group of the Target Company, hold 26,81,992 and 30,65,134 warrants of the Target Company, respectively, each carrying a right to subscribe to 1 (One) Equity Share.

5.8. As on the date of this DLOF, there are no partly paid-up Equity Shares, shares carrying differential voting rights, and/ or convertible instruments (such as depository receipts, fully convertible debentures, warrants, convertible preference shares etc.) issued by the Target Company which are convertible into Equity Shares of the Target Company, save and except as specified in this DLOF including 26,81,992 and 30,65,134 warrants allotted to JSL Limited and Virtuuous Tradecorp Private Limited (entities forming part of promoter group of the Target Company), respectively. As on date of this DLOF, there are no Equity Shares which are (a) forfeited or kept in abeyance; or (b) locked in.

5.9. There are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchanges. The trading of the Equity Shares has not been suspended on the Stock Exchanges.

5.10. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (Three) years.

5.11. The Target Company has complied with the provisions of SEBI (LODR) Regulations and the listing agreement, and there have been no proceedings initiated by any regulatory authority including SEBI and the Stock Exchanges against the Target Company and no punitive measures have been taken by any Stock Exchanges against the Target Company, except for:

(i) Imposition of fine of INR 22,000 (exclusive of GST) by BSE vide its email dated February 14, 2022 for non-submission of statement on shareholders' complaints for quarter ended on December 31, 2021 within the prescribed time period under Regulation 13(3) of the SEBI (LODR) Regulations. The Target Company had made the required filing with BSE on February 14, 2022. The Target Company had requested for waiver of fine imposed by BSE as 'nil' shareholders' complaint report was submitted by the Target Company with NSE on January 18, 2021, however it inadvertently missed filing such 'nil' shareholders' complaint report with BSE due to technical and other issues. Pending such waiver request with BSE, the Target Company paid the fine to BSE on February 28, 2022.

(ii) Imposition of the following fines for non-compliance with respect to constitution of nomination and remuneration committee ("NRC") under Regulation 19 of the SEBI (LODR) Regulations:

- (a) NSE *vide* its email dated August 22, 2022 imposed a fine of: (1) INR 72,000 (exclusive of GST) for quarter ended on March 31, 2022; and (2) INR 1,82,000 (exclusive of GST) for quarter ended on June 30, 2022; and
- (b) BSE *vide* its email dated August 22, 2022 imposed a fine of INR 2,54,000 (exclusive of GST) for quarter ended on June 30, 2022.

Inadvertently, the Target Company filed incorrect details of the chairman of the NRC in the corporate governance report (“CGR”) for the quarter ended on March 31, 2022. The same XBRL utility file was used by the Target Company for filing the CGR for quarter ended on June 30, 2022 and therefore, the same mistake was repeated. The revised CGRs have been filed by the Target Company for the quarters ended March 31, 2022 and June 30, 2022. The Target Company had made submissions to BSE and NSE and had requested for waiver of the fines imposed by them. As part of the waiver application to NSE, the Target Company had paid the fine to NSE on September 06, 2022. Subsequently, pursuant to the waiver request, NSE *vide* letter dated April 5, 2023 had reversed the fine of INR 72,000 for the quarter ended on March 31, 2022. The remaining waiver requests are still under consideration by BSE and NSE.

- 5.12. Names, DIN, designation and date of appointment of the directors on the Board of the Target Company are as follows:

| Name | DIN | Date of Appointment/ Re-appointment | Designation |
|-----------------------------|----------|--|--|
| Dr Rajeev Uberoi | 01731829 | May 11, 2021 | Non-Executive Independent Director |
| Mr Abhyuday Jindal | 07290474 | March 08, 2022 | Non-Executive Non-Independent Director |
| Mr Souvik Pulakesh Sengupta | 07248395 | February 24, 2022 | Non-Executive Non-Independent Director |
| Mr Ashok Kumar Gupta | 01722395 | December 27, 2022 (Reappointment) | Managing Director |
| Mr Sanjiv Garg | 00428757 | August 10, 2022 | Non-Executive Independent Director |
| Ms Shan Jain | 09661574 | February 13, 2023 | Non-Executive Independent Director |
| Mr Atul Rasiklal Desai | 01918187 | June 28, 2023 | Non-Executive Independent Director |

- 5.13. As on the date of this DLOF, there are no directors representing the Acquirer on the Board of the Target Company, except for Mr. Souvik Pulakesh Sengupta, who is a non-executive non-independent director on the Board of the Target Company. Further, none of the directors of the Acquirer have been appointed as directors on the Board of the Target Company.
- 5.14. The Target Company has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 5.15. Neither the Target Company nor any of its promoters or directors or key employees have been categorized or declared: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI;

or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

- 5.16. The brief financial information of the Target Company based on its audited consolidated financial statements for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021, audited by its statutory auditor, is as set out below:

(In INR crore, except per share data)

| Profit & Loss Statement | As on and for the financial year ended March 31, 2023 ⁽¹⁾ | As on and for the financial year ended March 31, 2022 ⁽²⁾ | As on and for the financial year ended March 31, 2021 ⁽³⁾ |
|--|--|--|--|
| | (Audited) | (Audited) | (Audited) |
| Income from operations | 485.55 | 358.19 | 325.56 |
| other income | 7.21 | 4.54 | 7.19 |
| Total income | 492.76 | 362.73 | 332.75 |
| Total expenditure | 528.91 | 416.27 | 354.53 |
| Profit before depreciation, interest and tax | (7.54) | (17.86) | 10.82 |
| Depreciation | 12.71 | 13.40 | 13.32 |
| Interest | 15.90 | 22.28 | 19.29 |
| Profit before tax | (36.15) | (60.94) | (23.78) |
| Provision for tax | - | (0.59) | 26.08 |
| Profit after tax | (36.15) | (60.35) | (49.86) |

(In INR crore, except per share data)

| Balance Sheet Statement | As on and for the financial year ended March 31, 2023 ⁽¹⁾ | As on and for the financial year ended March 31, 2022 ⁽²⁾ | As on and for the financial year ended March 31, 2021 ⁽³⁾ |
|---|--|--|--|
| | (Audited) | (Audited) | (Audited) |
| Sources of funds | | | |
| Paid-up share capital | 14.44 | 14.44 | 10.86 |
| Reserves and Surplus (Excluding Revaluation Reserves) | 229.40 | 227.64 | 103.50 |
| Revaluation Reserve | 108.71 | 108.71 | 108.71 |
| Net worth | 352.55 | 350.79 | 223.07 |
| Secured loans | 32.80 | 72.94 | 117.58 |
| Unsecured loans | 106.08 | 92.79 | 12.96 |
| Non-current liabilities | 8.95 | 8.85 | 6.49 |
| Total | 500.38 | 525.37 | 360.10 |
| Uses of funds | | | |
| Net fixed assets | 273.83 | 275.71 | 283.64 |
| Investments | 0.00 | 0.00 | 0.00 |
| Net-current assets | 222.14 | 244.68 | 54.89 |
| Non-current assets | 4.41 | 4.98 | 21.57 |
| Total miscellaneous expenditure not written off | - | - | - |
| Total | 500.38 | 525.37 | 360.10 |

(In INR crore, except per share data)

| Other Financial Data | As on and for the financial year ended March 31, | As on and for the financial year ended March 31, | As on and for the financial year ended March 31, |
|----------------------|--|--|--|
|----------------------|--|--|--|

| | 2023 ⁽¹⁾ | 2022 ⁽²⁾ | 2021 ⁽³⁾ |
|----------------------|---------------------|---------------------|---------------------|
| | (Audited) | (Audited) | (Audited) |
| Earnings per share | (5.01) | (10.76) | (9.18) |
| Dividends (%) | - | - | - |
| Return on net worth | (10.3%) | (17.2%) | (22.4%) |
| Book value per share | 48.82 | 48.58 | 41.08 |

Notes:

- (1) Extracted from consolidated audited financial statements for the financial year ended March 31, 2023.
- (2) Extracted from consolidated audited financial statements for the financial year ended March 31, 2023, as the figures for the financial year ended March 31, 2022 were restated in the consolidated audited financial statements for the financial year ended March 31, 2023 inter alia on account of deferred tax asset reversal impact, fixed deposits classification impact etc.
- (3) Extracted from consolidated audited financial statements for the financial year ended March 31, 2021.
- (4) Net Worth used in above calculation of ratios is including revaluation reserve.

5.17. The pre and post Offer shareholding pattern of the Target Company as on June 30, 2023 assuming full acceptances is as provided below:

| Shareholders' category | Shareholding and voting rights prior to the agreement/ acquisition and offer | | Shares/ voting rights agreed to be acquired/ (sold) which triggered off the SEBI (SAST) Regulations | | Shares/ voting rights to be acquired in the open offer (assuming full acceptance) | | Shares/voting rights after the acquisition and offer | |
|---|--|------------------|---|------------------------------|---|------------------------------|--|------------------|
| | (A) | | (B) | | (C) | | (A)+(B)+(C) = (D) | |
| | No. of Equity Shares | % ⁽¹⁾ | No. of Equity Shares | % ⁽²⁾ | No. of Equity Shares | % ⁽²⁾ | No. of Equity Shares | % ⁽²⁾ |
| 1 Acquirer | | | | | | | | |
| A Acquirer | 1,80,45,745 | 24.99 | 1,57,47,126 ⁽³⁾ | 18.81 ⁽³⁾ | 2,17,64,907 | 26.00 | 5,55,57,778 | 66.37 |
| Total 1 (1A) | 1,80,45,745 | 24.99 | 1,57,47,126⁽³⁾ | 18.81⁽³⁾ | 2,17,64,907 | 26.00 | 5,55,57,778 | 66.37 |
| 2 Promoter/ Promoter group | | | | | | | | |
| A Parties to the agreement, if any | - | - | - | - | | | | |
| B Promoters other than (A) above | 2,88,30,828 | 39.92 | -(⁴) | -(⁴) | | | | |
| Total 2 (2A+2B) | 2,88,30,828 | 39.92 | - | - | | | | |
| 3 Parties to agreement (other than 1 & 2A) | | | | | (2,17,64,907) ⁽⁵⁾ | (26.00) ⁽⁵⁾ | 2,81,53,400 ⁽⁶⁾ | 33.63 |
| 4 Public (other than 1, 2 or 3)⁽⁷⁾ | | | | | | | | |
| A MFs/FPIs/Banks /AIFs | 11,81,586 | 1.64 | (1,00,00,000) ⁽⁴⁾ | (11.95) ⁽⁴⁾ | | | | |
| B Others | 2,41,58,767 | 33.45 | | | | | | |
| Total 4 (A+B) | 2,53,40,353 | 35.09 | (1,00,00,000)⁽⁴⁾ | (11.95)⁽⁴⁾ | | | | |
| 5 Sub Total = (2+3+4) | 5,41,71,181 | 75.01 | (1,00,00,000)⁽⁴⁾ | (11.95)⁽⁴⁾ | (2,17,64,907)⁽⁵⁾ | (26.00)⁽⁵⁾ | 2,81,53,400⁽⁶⁾ | 33.63 |
| Grand Total (1+5) | 7,22,16,926 | 100.00 | - | - | - | - | 8,37,11,178 | 100.00 |

Notes:

- (1) Calculated as a percentage of the total issued and paid-up equity share capital of the Target Company as on June 30, 2023 i.e., 7,22,16,926 Equity Shares.
- (2) Calculated as a percentage of the Expanded Voting Share Capital, which includes (a) 57,47,126 Equity Shares to be allotted by the Target Company to the Acquirer pursuant to Conversion; and (b) 26,81,992 warrants and 30,65,134

warrants of the Target Company, each carrying the right to subscribe 1 (One) Equity Share, held by JSL Limited (“JSL”) and Virtuous Tradecorp Private Limited (“VTPL”) (entities forming part of the promoter group of the Target Company), respectively.

- (3) Includes acquisition of 57,47,126 Equity Shares pursuant to Conversion, and acquisition of all SE Shares (i.e., upto 1,00,00,000 Equity Shares) pursuant to SE Share Purchase.
- (4) Assuming the entire SE Share Purchase is undertaken from the public shareholders of the Target Company and no existing members of the promoter group of the Target Company sell their Equity Shares as part of SE Share Purchase.
- (5) Assuming the Eligible Shareholders validly tender all their Equity Shares, they will be accepted on a proportionate basis up to the Offer Size (since the Equity Shares held by the Eligible Shareholders exceeds the Offer Size). For this purpose, it is further assumed that JSL and VTPL have acquired an aggregate of 57,47,126 Equity Shares pursuant to conversion of all the warrants held by them prior to the Tendering Period.
- (6) We have assumed that JSL and VTPL have acquired an aggregate of 57,47,126 Equity Shares pursuant to conversion of all the warrants held by them.
- (7) The number of shareholders in the “public category” as on June 30, 2023, other than the Acquirer, is 21,718.
- (8) Pursuant to the Underlying Transactions and the Open Offer, the Acquirer will become one of the promoters of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. Further, pursuant to the Underlying Transactions and this Open Offer, if the shareholding of public shareholders in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time period, and in a manner acceptable to the Acquirer.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The Equity Shares are listed on BSE (Scrip Code: 509874) and NSE (Symbol: SHALPAINTS). The ISIN of Equity Shares is INE849C01026.

6.1.2. The trading turnover in the Equity Shares, based on the trading volumes on the Stock Exchanges during the 12 (Twelve) calendar months prior to the calendar month of the PA, i.e., from September 1, 2022, to August 31, 2023 (“**Relevant Period**”), is as given below:

| Stock exchange | Number of Equity Shares traded during the Relevant Period (A) | Total no. of Equity Shares of the Target Company during the Relevant Period (B) | Trading turnover |
|----------------|---|---|------------------|
| BSE | 43,69,609 | 7,22,16,926 | 6.05% |
| NSE | 2,74,23,829 | 7,22,16,926 | 37.97% |

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

6.1.3. Based on the above, the Equity Shares are frequently traded on NSE for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.4. In terms of Regulations 8(1) and 8(2) read with Regulation 8(6) of the SEBI (SAST) Regulations, the offer price of INR 165/- (Indian Rupees One Hundred Sixty Five only) per Equity Share has been determined and justified in terms of Regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

| Sr. No. | Details | Price (in INR) |
|---------|--|----------------|
| 1 | The highest negotiated price per equity share of the Target Company for any acquisition under the agreement attracting the obligation to make the PA i.e., the SE Share Price. | 165.00 |
| 2 | The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by any person | Not applicable |

| | | |
|---|---|-------------------------------|
| | acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA. | |
| 3 | The highest price paid or payable per equity share for any acquisition, whether by the Acquirer or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the PA. | Not applicable |
| 4 | The volume-weighted average market price per equity share for a period of sixty trading days immediately preceding the date of the PA as traded on National Stock Exchange of India Limited (NSE) being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period and such shares being frequently traded. | 157.92 |
| 5 | Where the equity shares are not frequently traded, the price determined by the Acquirer and the Manager taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares of such companies. | Not applicable ⁽¹⁾ |
| 6 | The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable. | Not applicable ⁽²⁾ |
| 7 | Exercise price per Warrant. ⁽³⁾ | 130.50 ⁽³⁾ |

Source: Certificate dated September 27, 2023, issued by Sumit Ranka & Associates, Chartered Accountant (FRN: 147837W) (Sumit Ranka, Partner, membership no.: 139037).

Notes:

- (1) Not applicable as the Equity Shares are frequently traded.
- (2) Not applicable since the acquisition is not an indirect acquisition.
- (3) In terms of Regulation 8(6) of the SEBI (SAST) Regulations, where an acquirer or any person acting in concert with him has any outstanding convertible instruments convertible into shares of the target company at a specific price, the price at which such instruments are to be converted into shares is also required to be considered as a parameter under Regulation 8(2) and Regulation 8(3) of the SEBI (SAST) Regulations.

- 6.1.5. In view of the parameters considered and presented in the table in paragraph 6.1.4 above, the minimum offer price per Equity Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of above parameters, i.e. INR 165/- (Indian Rupees One Hundred Sixty Five only) per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
- 6.1.6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate action(s) falls prior to the 3rd (Third) Working Day before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.7. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be undertaken by the Acquirer at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period of this Offer, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Further, in the event of 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. Accordingly, in the event, if any SE Share Purchase is at a price higher than the Offer Price as a result of subsequent revisions in the order(s) placed or any other reason whatsoever, then the Offer

Price would be revised to the highest price paid by the Acquirer for acquisition of the Equity Shares pursuant to the SE Share Purchase. Further, the Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day before the commencement of the Tendering Period and until the expiry of the Tendering Period.

- 6.1.8. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the escrow amount in the Escrow Account; (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.
- 6.1.9. If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (Twenty Six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Eligible Shareholders whose shares have been accepted in the Offer, within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations or pursuant to 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.

6.2. Financial Arrangements

- 6.2.1. The Maximum Consideration i.e., total funding requirement for the Open Offer assuming full acceptance of the Offer is INR 359,12,09,655/- (Indian Rupees Three Hundred Fifty Nine Crore Twelve Lakh Nine Thousand Six Hundred Fifty Five only).
- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and the Manager have entered into an escrow agreement with HDFC Bank Limited ("**Escrow Agent**") on September 25, 2023 ("**Escrow Agreement**"), and the Acquirer has created an escrow account named "**HIMPL-Open Offer Escrow Account**" ("**Escrow Account**") at the Fort Branch of the Escrow Agent. In accordance with the requirements of Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has deposited in cash an aggregate of INR 90,00,20,000/- (Indian Rupees Ninety Crore Twenty Thousand only) into the Escrow Account. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations, i.e., 25% of the first INR 500 crore of the Maximum Consideration. In terms of the Escrow Agreement, the Manager has been authorized to operate and realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations. The cash deposit has been confirmed by the Escrow Agent by way of a confirmation letter dated September 26, 2023. Further, fixed deposits have been created against the aforesaid Escrow Amount.
- 6.2.3. The sources of funds for the Acquirer are available cash and cash equivalents and its liquid securities. The Acquirer has made firm financial arrangements for fulfilling the payment obligations under this Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, and the Acquirer is able to implement this Offer.
- 6.2.4. Sen and Ray, Chartered Accountants (FRN: 0303047E) having its office at 322, V Mall, Thakur Complex, Kandivali (E), Mumbai 400101, Tel. No.: +91 76666 03760 (Rakesh Kumar Kogta, partner, membership no.: 122300), *vide* its certificate dated September 27, 2023 certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill its obligations under this Offer.

- 6.2.5. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 6.2.6. In case of any upward revision in the Offer Price or the Offer Size, a corresponding increase to the escrow amount as mentioned above shall be made by the Acquirer, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational Terms and Conditions

The Offer is being made by the Acquirer to: (a) all the Eligible 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 date of closure of the Tendering Period for this Offer but who are not the registered Eligible Shareholders. The LOF shall be sent to all Eligible 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.

- 7.1.1. The Acquirer is making this Offer to all Eligible Shareholders to acquire up to 2,17,64,907 Equity Shares representing 26.00% of the Expanded Voting Share Capital, subject to the terms and conditions mentioned in the PA, DPS and LOF.
- 7.1.2. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Friday, November 17, 2023 and close on Friday, December 01, 2023.
- 7.1.3. The acceptance of this Open Offer is entirely at the discretion of the Eligible Shareholders of the Target Company. The Eligible Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time during the Tendering Period. Subject to the receipt of the statutory or other approvals as specified in paragraph 7.4 of this DLOF, the Acquirer has up to 10 (Ten) Working Days from the Offer Closing Date to pay the consideration to the Eligible Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.4. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (One) only. Eligible Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.5. The Eligible Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Eligible Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.6. The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.

- 7.1.7. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Eligible 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.
- 7.1.8. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.9. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. 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 LOF, to the extent of the Offer Size. If the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the Offer Size, then the Equity Shares validly tendered by the Eligible Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
- 7.1.10. Copies of the PA and the DPS are available and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI at www.sebi.gov.in.
- 7.1.11. The Identified Date for this Offer as per the schedule of activities is Thursday, November 02, 2023. The Identified Date is only for the purpose of determining the Eligible Shareholders as on such date to whom the LOF would be sent. It is clarified that all the Eligible Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 7.1.12. The LOF shall be sent (through e-mail or physical mode) to all Eligible Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Eligible Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Eligible Shareholder shall not invalidate this Offer in any manner whatsoever. In case of non-receipt of the LOF, Eligible Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.beetalfinancial.com), the Stock Exchanges (www.bseindia.com); www.nseindia.com) or the Manager (www.swastika.co.in).
- 7.1.13. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Open Offer. The Eligible Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the closure of the Tendering Period. Alternatively, the LOF along with the Form of Acceptance will also be available at SEBI's website, www.sebi.gov.in, and the Eligible Shareholders can also apply by downloading such forms from the website.
- 7.1.14. 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 Eligible Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 7.1.15. The Acquirer, the Manager or the Registrar to the Offer do not 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 Eligible Shareholders are advised to adequately safeguard their interest in this regard.

7.1.16. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of a revision in the Offer Price and/or Offer Size, the Acquirer shall: (a) make corresponding increases to the escrow amount in the Escrow Account; (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. 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.

7.2. **Locked-in Equity Shares**

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

7.3. **Eligibility for accepting the Offer**

7.3.1. All Eligible Shareholders, registered or unregistered, who hold Equity Shares 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 7.4 of this DLOF).

7.3.2. 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 (Tenth) 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 LOF, may also participate in this Open Offer. No indemnity shall be required from unregistered shareholders.

7.3.3. The acceptance of this Open Offer is entirely at the discretion of the Eligible Shareholder(s) of the Target Company.

7.4. **Statutory and Other Approvals**

7.4.1. As on the date of the DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Offer Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transactions. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained and the Acquirer shall make necessary applications for such approvals.

7.4.2. All Eligible Shareholders, including non-residents holders of Equity Shares (including NRIs, OCBs, FIIs or FPIs) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, 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, 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. Eligible Shareholders classified as OCB, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.

- 7.4.3. Where statutory or other approval(s) extends to some but not all of the Eligible Shareholders, the Acquirer shall have the option to make payment to such Eligible Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.
- 7.4.4. In case of delay in receipt of any statutory or other approval(s) which may be required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such delay in receipt of the requisite statutory or other approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Eligible Shareholders whose Offer Shares have been accepted in the Offer, at such rate as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- 7.4.5. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, the approvals specified in this paragraph 7.4 of this DLOF or those which become applicable prior to completion of the Open Offer are not received or are finally refused, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 7.4.6. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (Ten) Working Days from the Offer Closing Date to those Eligible Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1. All Eligible Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.2. A tender of Equity Shares pursuant to any of the procedures described in the LOF will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.
- 8.3. Subject to paragraph 7.4 of this Draft Letter of Offer, all Eligible Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.4. In the event that the number of Equity Shares tendered by the Eligible 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 Eligible Shareholders on a proportionate basis in consultation with the Manager to the Offer.

8.5. Procedure for acceptance and settlement of the Offer

- 8.5.1. The Open Offer will be implemented by the Acquirer through Stock Exchange mechanism made available by NSE in the form of separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI’s Master Circular dated February 16, 2023, bearing reference no. SEBI/HO/CFD/PoD-1/P/CIR/2023/31 (“**Master Circular**”).
- 8.5.2. NSE shall be the designated stock exchange (“**Designated Stock Exchange**”) for the purpose of tendering Equity Shares in the Open Offer.
- 8.5.3. The Open Offer is made to the Eligible Shareholders as defined in this Draft Letter of Offer. While the Letter of Offer (along with Form of Acceptance) will be sent (through electronic mode or physical mode) to all the Eligible Shareholders of the Target Company whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date, all Eligible Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time during the Tendering Period.
- 8.5.4. The Letter of Offer along with the Form of Acceptance, will be emailed/ dispatched to all the Eligible Shareholders of the Target Company, whose names appear in the register of members of the Target Company at the close of business hours on the Identified Date and in each case, who have registered their email ids with the Depositories and/or the Target Company. Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way. Such documents will also be available on SEBI’s website www.sebi.gov.in.
- 8.5.5. The Acquirer has appointed Swastika Investmart Limited (“**Buying Broker**”) as its broker for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

Swastika Investmart Limited

Address: 48 Jaora Compound, MYH Road, Indore (MP) – 452001

Tel: +91 731 6644 223, **Fax:** +91 7316644300

Contact Person: Mr. Lokesh Soni

- 8.5.6. Eligible Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers (“**Selling Brokers**”) within 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 through the Acquisition Window.
- 8.5.7. Eligible Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers in order to mark lien before the closure of the Tendering Period.
- 8.5.8. A separate Acquisition Window will be provided by NSE to facilitate the placing of orders. The Selling Brokers would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of NSE. Before placing the order/bid, the Selling Broker will be required to mark lien on the tendered Equity Shares. Details of such Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by the depository to NSE Clearing Limited (“**Clearing Corporation**”).

- 8.5.9. In terms of the Master Circular, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only the accepted quantity of Equity Shares will be debited from the demat account of the concerned Eligible Shareholder.
- 8.5.10. Eligible Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers in order to mark the lien, before the closure of the Tendering Period.
- 8.5.11. The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Eligible Shareholders' sole risk. Eligible Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.5.12. The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Shares, and/or other documents on behalf of the Eligible Shareholders who have accepted the Offer, until the warrants/cheques/drafts/e-payment for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Eligible Shareholders.
- 8.5.13. The details of settlement number under which lien will be marked shall be informed in the issue opening circular that will be issued by NSE/Clearing Corporation, before the Offer Opening Date.
- 8.5.14. Eligible Shareholders can tender their shares only through a broker with whom the Eligible Shareholder is registered as client (KYC compliant). In the event the Selling Broker(s) are not registered with NSE or if the Eligible Shareholder does not have any stock broker then that Eligible Shareholder can approach any stock broker registered with NSE and can make a bid by using quick unique client code ("**UCC**") facility through such NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case the Eligible Shareholders are unable to register using UCC facility through any other NSE registered broker, Eligible Shareholders may approach Buying Broker i.e., Swastika Investmart Limited, for guidance to place their bids. The requirement of documents and procedures may vary from broker to broker.
- 8.5.15. The Eligible Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:
- (a) In case of Eligible Shareholder being an individual:
- (i) If Eligible Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:
- A. Central Know Your Client ("**CKYC**") form including Foreign Account Tax Compliance Act ("**FATCA**"), In Person Verification ("**IPV**"), Original Seen and Verified ("**OSV**"), if applicable.
- B. Know Your Client ("**KYC**") form Documents required (all documents self-attested):
- Bank details (cancelled cheque)
- C. Demat details (Demat Master/Latest Demat statement)
- (ii) if Eligible Shareholder is not registered with KRA:
- A. CKYC form including FATCA, IPV, OSV if applicable
- B. KRA form
- C. KYC form Documents required (all documents self-attested):
- PAN card copy
 - Address Proof

- Bank Details (cancelled cheque).
- D. Demat Details (Demat master/Latest Demat Statement)

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

- (b) In case of Eligible Shareholder being a Hindu Undivided Family (“HUF”)
- (i) Forms required if Eligible Shareholder is registered with KRA:
 - A. CKYC form of Karta including FATCA, IPV, OSV, if applicable
 - B. KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - C. Demat details (Demat Master/Latest Demat statement)
 - (ii) Forms required if Eligible Shareholder is not registered with KRA:
 - A. CKYC form of Karta including FATCA, IPV, OSV if applicable
 - B. KRA form
 - C. Know Your Client (KYC) form Documents required (all documents self-attested):
 - PAN card copy of HUF & Karta
 - Address proof of HUF & Karta
 - HUF declaration
 - Bank details (cancelled cheque)
 - D. Demat details (Demat master/Latest Demat statement)

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

- (c) In case of Eligible Shareholder being other than Individual and HUF:
- (i) Forms required if Eligible Shareholder is KRA registered:
 - A. Know Your Client (KYC) form Documents required (all documents certified true copy)
 - Bank details (cancelled cheque)
 - B. Demat details (Demat master/Latest Demat statement)
 - C. FATCA, IPV, OSV if applicable
 - D. Latest list of directors/authorised signatories/partners/trustees
 - E. Latest shareholding pattern
 - F. Board resolution
 - G. Details of ultimate beneficial owner along with PAN card and address proof
 - H. Last 2 (Two) years financial statements.
 - (ii) Forms required if Eligible Shareholder is not KRA registered:
 - A. KRA form
 - B. 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)
 - C. Demat details (Demat Master/Latest Demat statement)
 - D. FATCA, IPV, OSV if applicable
 - E. Latest list of directors/authorised signatories/partners/trustees
 - F. PAN card copies & address proof of directors/authorised signatories/partners/trustees
 - G. Latest shareholding pattern
 - H. Board resolution/partnership declaration
 - I. Details of ultimate beneficial owner along with PAN card and address proof
 - J. Last 2 (Two) years financial statements
 - K. MOA/Partnership deed/trust deed

- 8.5.16. It may be noted that, other than submission of above forms and documents, in person verification may be required. It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.
- 8.5.17. The cumulative quantity tendered shall be displayed on the website of NSE (www.nseindia.com) throughout the trading session at specific intervals during the Tendering Period.
- 8.5.18. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
- 8.5.19. The reporting requirements for non-resident shareholders under FEMA and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or their Selling Broker.

8.6. Procedure for tendering Equity Shares held in Dematerialised Form

- 8.6.1. Eligible 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. Eligible Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.6.2. The Selling Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the bid, lien will be required to be marked on the tendered Equity Shares. Details of the Equity Shares marked as lien in the demat account of the Eligible Shareholder shall be provided by their respective depositories to the Clearing Corporation. In case, the Eligible Shareholder's demat account is held with one depository ("**Source Depository**") and the clearing member pool and Clearing Corporation account is held with another depository ("**Recipient Depository**"), the Equity Shares shall be blocked in the shareholders demat account at the Source Depository during the Tendering Period. Inter depository tender offer ("**IDT**") instructions shall be initiated by the Eligible Shareholders at the Source Depository to the clearing member/Clearing Corporation account at Recipient Depository. Source Depository shall block the Eligible Shareholders' Equity Shares (i.e. transfers from free balance to blocked balance) and send IDT message to Recipient Depository for confirming creation of lien. Details of Equity Shares blocked in the Eligible Shareholder's demat account shall be provided by the Recipient Depository to the Clearing Corporation.
- 8.6.3. The Eligible 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 NSE/Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- 8.6.4. 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 NSE on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.6.5. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the stock exchange bidding system to the Eligible 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. In case of non-receipt of the completed tender form and other documents, but where lien is marked on Equity Shares and a valid bid has been placed in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.

- 8.6.6. On receipt of TRS from the respective Selling Broker, the Eligible 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.
- 8.6.7. The duly filled in delivery instruction slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Eligible Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer. For resident Eligible Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After lien is marked on Equity Shares and a valid bid is placed in the exchange bidding system, the bid shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in dematerialized form.
- 8.6.8. The Eligible Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Offer.
- 8.6.9. **The Eligible Shareholders holding shares in dematerialised form are not required to fill Form of Acceptance unless required by their respective Selling Broker.**
- 8.6.10. All non-resident Eligible Shareholders (i.e. Eligible Shareholders not residing in India including NRIs, OCBs, FIIs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Eligible Shareholders holding Equity Shares in dematerialised form, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “Shalimar Paints Limited – Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

8.7. **Procedure for tendering the Equity Shares held in physical form**

As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release dated December 03, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from April 01, 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. Accordingly, Eligible Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations. The procedure for tendering to be followed by the Eligible Shareholders holding Equity Shares in the physical form is as detailed below:

- 8.7.1. Eligible 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) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Eligible 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.

- 8.7.2. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Eligible 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.
- 8.7.3. Based on these documents, the Selling Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the Acquisition Window of NSE. Upon placing the bid, the Selling Broker shall provide a TRS generated by the bidding system of NSE to the Eligible Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 8.7.4. The Selling Broker/Eligible 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. Beetal Financial & Computer Services Private Limited, so as to reach them no later than the Offer Closing Date. The envelope should be super scribed as "Shalimar Paints Limited – Open Offer". 1 (One) copy of the TRS will be retained by the Registrar, and it will provide acknowledgement of the same to the Selling Broker/Eligible Shareholder. Physical share certificates and other relevant documents should not be sent to the Acquirer, the Target Company or the Manager to the Offer. The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 8.7.5. The Eligible 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 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'.
- 8.7.6. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.

- 8.7.7. In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible 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 Eligible Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.

8.8. Procedure for tendering the shares in case of non-receipt of LOF:

- 8.8.1. All the Eligible Shareholders of the Target Company, holding the Equity Shares whether in dematerialised form or physical form, registered or unregistered are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer.
- 8.8.2. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer. Accidental omission to send the 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.
- 8.8.3. An Eligible Shareholder may participate in the Open Offer by approaching their broker/Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF and the Form of Acceptance.
- 8.8.4. In terms of the Master Circular, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Eligible Shareholder.
- 8.8.5. The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Eligible Shareholders of the Target Company as on the Identified Date. An Eligible Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at beetal@beetalfinancial.com / beetalrta@gmail.com or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Eligible Shareholders of the Target Company may (i) download the same from the SEBI website (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. Alternatively, you can download the soft copy from the Registrar's website (www.beetalfinancial.com).
- 8.8.6. Alternatively, in case of non-receipt of the LOF, Eligible 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 Eligible Shareholders have to ensure that their order is entered in the electronic platform to be made available by NSE before the closure of the Open Offer. Physical share certificates and other relevant documents should not be sent to the Acquirer, the Target Company or the Manager to the Offer.

8.9. Acceptance of Shares

- 8.9.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- 8.9.2. In the event that the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.
- 8.9.3. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (One) Equity Share.
- 8.9.4. 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.

8.10. Settlement Process

- 8.10.1. 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 NSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- 8.10.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Eligible Shareholder. Selling Broker(s) shall use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
- 8.10.3. The Eligible Shareholders holding 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 (“DP”) account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.
- 8.10.4. For Equity Shares in dematerialised form accepted under the Offer, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders bank account linked to the demat account. If the relevant Eligible Shareholder’s bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 8.10.5. 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.
- 8.10.6. For the Eligible Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Broker’s settlement bank accounts for releasing the same to the respective Eligible Shareholder’s account.

- 8.10.7. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Eligible Shareholders holding Equity Shares in the physical form. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned to the Eligible Shareholders directly by the Registrar to the Offer.
- 8.10.8. The direct credit of Equity Shares shall be given to the demat account of the Acquirer as indicated by the Buying Broker.
- 8.10.9. Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released. Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned to the Eligible Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned to Eligible Shareholders. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer. Further, 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. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 8.10.10. 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.
- 8.10.11. Eligible 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 Eligible 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 Eligible Shareholders.
- 8.10.12. 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 Eligible 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.

9. NOTE ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SUMMARY IS BASED ON THE CURRENT PROVISIONS OF THE INDIAN INCOME TAX LAWS AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. THE FOLLOWING OVERVIEW IS

NOT EXHAUSTIVE OR COMPREHENSIVE AND IS NOT INTENDED TO BE A SUBSTITUTE FOR PROFESSIONAL ADVICE.

IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, ELIGIBLE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY, PARTICULARLY IN VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION.

THE LAW STATED BELOW IS AS PER THE IT ACT AS AMENDED UPTO FINANCE ACT, 2023.

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

- 9.1. **General:**
- 9.1.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 01 until March 31 of the following year.
- 9.1.2. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the Income Tax Act, 1961, as amended ("**IT Act**").
- 9.1.3. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).
- 9.1.4. Since the Target Company is incorporated in India, the Equity Shares are "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- 9.1.5. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting ("**Multilateral Instrument**" / "**MLI**") as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule ("**GAAR**") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 9.1.6. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- 9.1.7. The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- 9.1.8. In addition to income tax, as the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to Securities Transaction Tax ("**STT**"). STT is

payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.

9.1.9. All references to equity shares herein refer to listed equity shares unless stated otherwise.

9.2. Classification of Shareholders

Shareholders can be classified under the following categories:

9.2.1. Resident Shareholders being:

- (i) Individuals, HUF, Association of Persons (“AOP”) and Body of Individuals (“BOI”)
- (ii) Others
 - a) Company
 - b) Other than company

9.2.2. Non-Resident Shareholders being:

- (i) NRIs
- (ii) Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
- (iii) Others:
 - a) Company
 - b) Other than company

9.3. Classification of Shares

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“CBDT”). The nature of gains/loss in the foregoing cases will be as under:

9.3.1. Shares held as investment: Income arising from transfer of shares taxable under the head “Capital Gains”.

9.3.2. Shares held as stock-in-trade: Income arising from transfer taxable under the head “Profits and Gains from Business or Profession”.

9.4. Taxability of Capital Gains in the hands of the Shareholders:

9.4.1. Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

9.4.2. **Period of Holding:** Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

- (i) Short-term Capital Asset (“STCA”): Equity shares held for less than or equal to 12 (Twelve) months.
- (ii) Long-term Capital Asset (“LTCA”): Equity share held for more than 12 (Twelve) months.

- 9.4.3. Accordingly, gains arising from transfer of a STCA are taxable as 'Short-term Capital Gains' ("STCG"). Gains arising from transfer of a LTCA are taxable as 'Long-term Capital Gains' ("LTCG").
- 9.4.4. As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% on the aggregate LTCG u/s 112A exceeding INR 1 lakh if Securities Transaction Tax ("STT") has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT *vide* Notification No. 60/2018 dated October 01, 2018). The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- 9.4.5. As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31, 2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.
- 9.4.6. If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018 dated October 01, 2018, then the entire LTCG arising to the shareholder shall be subject to tax @ 10% (plus applicable surcharge and cess) without claiming the indexation benefit under Section 112 of the IT Act or 20% (plus applicable surcharge and cess) after claiming indexation benefit which is relevant in case of resident shareholders. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112 of the IT Act.
- 9.4.7. STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- 9.4.8. In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income tax is to be considered while computing the income-tax on such STCG taxable under section 111A of the IT Act and also LTCG under section 112 and 112A of the IT Act.
- 9.4.9. As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 9.4.10. Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the resident shareholders other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act or resident shareholders who have opted for concessional tax regime under Section 115BAC or Section 115BAD or Section 115BAE.

The provisions of Section 115JB of the IT Act do not apply to a foreign company, if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the

IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.

9.4.11. As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

9.4.12. Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

9.4.13. Additional information in case of FIIs:

(i) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.

(ii) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,

(iii) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding INR 1 lakh.

Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.

(iv) The above rates are to be increased by applicable surcharge and cess.

(v) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.

(vi) The CBDT has *vide* Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

9.4.14. Additional Information in case of NRIs:

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which *inter alia* entitles them to the following benefits:

(i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10 % (plus applicable surcharge and cess). While computing the LTCG, the benefit

of indexation of cost would not be available.

- (ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
- (iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- (iv) Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
- (v) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

9.4.15. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

9.4.16. Investment Funds:

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income-tax. For this purpose, an "Investment Fund" means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012 or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022.

9.4.17. Mutual Funds:

Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

9.5. **Taxability of Business Income in the hands of the Shareholders:**

9.5.1. Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.

- 9.5.2. No benefit of indexation by virtue of period of holding will be available in any case.
- 9.5.3. In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
- 9.5.4. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

9.6. **Withholding Tax implications:**

9.6.1. Remittance/Payment of Consideration

(i) Resident shareholders:

With effect from July 01, 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 50,00,000 and the buyer had a business turnover of more than INR 10,00,00,000 in the immediately preceding year. The term “goods” has not been defined and may cover shares.

As per Circular No. 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Acquirer is not required to withhold tax under Section 194Q on consideration payable to resident shareholders.

The resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

Section 206C(1H) of the IT Act creates an obligation on the seller of goods to collect tax at source at the rate of 0.1% when selling goods to any buyer. The obligation to collect tax at source exists only where the consideration for goods exceeds INR 50,00,000 and the seller had a business turnover of more than INR 10,00,00,000 in the immediately preceding year. The term “goods” has not been defined and may cover shares.

As per Circular No. 17 of 2020 dated September 29, 2020 issued by the CBDT, the provisions of Section 206C(1H) is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Seller is not required to collect tax under Section 206C(1H) on consideration received from the buyer.

(ii) Non-resident shareholders – FIIs

Section 196D(2) of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

(iii) Non-resident shareholders (other than FIIs):

Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance.

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the non-resident shareholder and to that extent the Acquirer should be indemnified.

The non-resident shareholders must file their tax return in India *inter alia* considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.6.2. Remittance/Payment of Interest

- (i) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.
- (ii) The shareholders must file their tax return in India *inter alia* considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer, on demand, the

relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

9.7. Rate of Surcharge and Cess

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

9.7.1. Surcharge

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds INR 10 crore and @ 7% where the total income exceeds INR 1 crore but less than or equal to INR 10 crore for companies not opting for tax regime under section 115BAA and 115BAB of the Act.
- (ii) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- (iii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds INR 10 crore and @ 2% where the total income exceeds INR 1 crore but less than or equal to INR 10 crore.
- (iv) In case of individuals, HUF, AOP, BOI not opting for tax regime under section 115BAC:
 - a) Surcharge at the rate of 10% is leviable where the total income exceeds INR 50 lakh but does not exceed INR 1 crore.
 - b) Surcharge at the rate of 15% is leviable where the total income exceeds INR 1 crore but does not exceed INR 2 crore.
 - c) Surcharge at the rate of 25% is leviable where the total income exceeds INR 2 crore but does not exceed INR 5 crore.
 - d) Surcharge at the rate of 37% is leviable where the total income exceeds INR 5 crore.

However, for the purpose of income chargeable under section 111A, 112, 112A, 115AD(1)(b) (for income chargeable to tax under the head capital gains) and AOP (with all members as a company), the surcharge rate shall not exceed 15%. Further the rate of surcharge shall not exceed 25 % where the income is chargeable to tax under section 115BAC of the IT Act.

- (v) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds INR 1 crore.

9.8. Cess

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

9.9. Others

- 9.9.1. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- 9.9.2. The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- 9.9.3. The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax

demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax/ appellate authority in India.

- 9.9.4. The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. 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 ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND 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 IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT INCOME TAX LAWS. 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 INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY THE STOCK EXCHANGE, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016. 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 INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

10. DOCUMENTS FOR INSPECTION

The following material documents will be available for inspection by the Eligible Shareholders at the office of the Manager to the Offer – Swastika Investmart Limited at 48 Jaora Compound, MYH Road, Indore (MP) – 452001 on any Working Day between 10:00 am to 05:00 pm during the Tendering Period:

- 10.1. Copies of the Articles and Memorandum of Association and certificate of incorporation of the Acquirer;
- 10.2. Copies of the annual reports of the Acquirer for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021;
- 10.3. Copies of the annual reports of the Target Company for the financial years ended March 31, 2023, March 31, 2022, and March 31, 2021;
- 10.4. Copy of the certificate dated September 27, 2023, issued by Sen and Ray, Chartered Accountants (FRN: 0303047E) (Rakesh Kumar Kogta, partner, membership no.: 122300), certifying the adequacy of financial resources of the Acquirer to fulfill its obligations under this Offer;
- 10.5. Copy of the certificate dated September 27, 2023, issued by Sumit Ranka & Associates, (FRN: 147837W) (Sumit Ranka, Partner, membership no.: 139037), certifying the computation of the Offer Price;
- 10.6. Copy of the Escrow Agreement entered into between the Acquirer, the Escrow Agent and the Manager to the Offer;
- 10.7. Copy of the letter dated September 26, 2023 received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Escrow Account;
- 10.8. Copy of the PA dated September 27, 2023, the DPS published in the newspapers on September 30, 2023 and the offer opening public announcement;
- 10.9. Copy of the recommendation published by the committee of independent directors of the Target Company in relation to the Offer; and
- 10.10. Copy of SEBI Observation letter no. [●], dated [●], in regard to the DLOF.

11. DECLARATION BY THE ACQUIRER

- 11.1. The Acquirer and its directors, in their capacity as directors, accept responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in paragraph 11.3 below) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer.
- 11.2. The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for the obligations as laid down in the SEBI (SAST) Regulations.
- 11.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The Acquirer does not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF pertaining to the Target Company.

For and on behalf of the Acquirer

Sd/-

Authorized Signatory

Date: October 09, 2023

Place: Thane (West)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION****SHALIMAR PAINTS LIMITED**

(Eligible Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker. Eligible Shareholders holding shares in physical form (resident and non-resident) are required to send this Form of Acceptance-cum-Acknowledgement along with the enclosures to the Registrar to the Offer, at its registered office address provided in the Letter of Offer. Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)

TENDERING PERIOD FOR THIS OPEN OFFER

| | |
|------------------------|-----|
| OFFER OPENS ON | [●] |
| OFFER CLOSES ON | [●] |

To,

The Acquirer**C/o BEETAL Financial & Computer Services Private Limited****Unit: Shalimar Paints – Open Offer**“BEETAL HOUSE”, 3rd Floor, 99, Madangir,

Behind Local Shopping Centre, New Delhi-110062

Tel No.: 011-29961281-83,26051061, 26051064; **Fax No.:** 011-29961284**Email:** beetal@beetalfinancial.com, beetalrta@gmail.com

Dear Sir/ Madam

Sub: Cash offer for acquisition of up to 2,17,64,907 fully paid-up equity shares of the Shalimar Paints Limited (“Target Company”) having face value of INR 2/- (Indian Rupees Two only) each (“Offer Shares”), representing 26.00% of the Expanded Voting Share Capital of the Target Company, at a price of INR 165/- (Indian Rupees One Hundred Sixty Five only) per Offer Share, in accordance with the Securities And Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“SEBI (SAST) REGULATIONS”), from the eligible shareholders of the Target Company by Hella Infra Market Private Limited (“Acquirer”).

I / We refer to the Letter of Offer dated [●] for acquiring the Equity Shares held by me / us in the Target Company.

I / We, the undersigned, have read the PA, DPS, LOF and the issue opening public announcement cum corrigendum, and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

I/We acknowledge and confirm that all the particulars/ statements given herein are true and correct.

Details of Eligible Shareholder:

| Name (in BLOCK LETTERS) | Holder | Name of the shareholder(s) | Permanent Account Number (PAN) |
|---|--|-----------------------------------|---------------------------------------|
| (Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account) | Sole / First | | |
| | Second | | |
| | Third | | |
| Contact number(s) of the first holder | Tel No. (With STD Code): Fax No. (with STD Code): | | Mobile No.: |
| Full address of the first holder (with pin code) | | | |
| Email address of first holder | | | |
| Date and place of incorporation (if applicable) | | | |

FOR EQUITY SHARES HELD IN PHYSICAL FORM:

I/We, confirm that our residential status under the Income Tax Act is as below (tick whichever is applicable).

- Resident
 Non-Resident

I / We, holding Equity Shares in physical form, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below along with enclosures as mentioned herein:

| Sr. No. | Regd. Folio Number | Share Certificate Number | Distinctive Numbers | | No. of Equity Shares |
|--|--------------------|--------------------------|---------------------|--------------|----------------------|
| | | | From | To | |
| 1 | | | | | |
| 2 | | | | | |
| 3 | | | | | |
| (In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same) | | | | TOTAL | |

Enclosures (tick whichever is applicable)

- Duly attested power of attorney, if any person apart from the Eligible Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

FOR ALL ELIGIBLE SHAREHOLDERS

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Offer and that I/we am/are legally entitled to tender the Equity Shares in this Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We confirm that the sale and transfer of the Equity Shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to. My / Our execution of this Form of Acceptance-cum-Acknowledgement shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer harmless and indemnified against any loss they or either of them may suffer in the event these Equity Shares are acquired by the Acquirer.

I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the documents and signatures, as applicable submitted along with this Form of Acceptance-cum-Acknowledgement. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.

I / We confirm that I / We are not persons acting in concert with the Acquirer.

I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Offer in accordance with the SEBI (SAST) Regulations.

I / We are / am not debarred from dealing in Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961 including but not limited to section 281 of the Income Tax Act, 1961.

I / We note and understand that the Equity Shares will be held by the Clearing Corporation in trust for me / us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer and other documents are dispatched to the Eligible Shareholders, as the case may be.

I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us , or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Equity Shares, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.

I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer may decide to accept in consultation with the Managers to the Offer and the Registrar to the Offer and in terms of the Letter of Offer. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Offer is not found valid / not accepted without specifying the reasons thereof.

FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS

I/We confirm that my/our residential status is (whichever is applicable):

| | | | | |
|---|--|--|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Company | <input type="checkbox"/> FII/FPI – Corporate | <input type="checkbox"/> FII/FPI - Others | <input type="checkbox"/> FVCI |
| <input type="checkbox"/> Foreign Trust | <input type="checkbox"/> Private Equity Fund | <input type="checkbox"/> Pension/Provident Fund | <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Partnership/ Proprietorship firm |
| <input type="checkbox"/> Financial Institution | <input type="checkbox"/> NRIs/PIOs – repatriable | <input type="checkbox"/> NRIs/PIOs - non-repatriable | <input type="checkbox"/> OCB | <input type="checkbox"/> QFI |
| <input type="checkbox"/> Others – please specify: | | | | |

I/We confirm that my/our investment status is (and whichever is applicable):

- FDI Route
- PIS Route
- Any other – please specify _____

I/We confirm that Equity Shares tendered by me/us are held on (whichever is applicable):

- Repatriable basis
- Non-repatriable basis

I/We confirm that (whichever is applicable):

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Open Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Open Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that (whichever is applicable):

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Open Offer
- Copies of all approvals required by me for tendering Equity Shares in this Open Offer are enclosed herewith
- There are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act including but not limited to section 281 of the Income Tax Act
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, error, negligence or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, cost of litigation etc.) and provide the Acquirer with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority

Additional confirmations and enclosures for all Eligible Shareholders, as applicable

I / We, have enclosed the following documents (“√” whichever is applicable):

- Self-attested copy of PAN card
- Self-declaration form in Form 15 G / Form 15 H, in duplicate copy
- For Mutual funds/ Banks / Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, copy of relevant registration or notification
- ‘Valid Tax Residency Certificate’ issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Eligible Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Eligible Shareholder claims to be resident and a duly filled in ‘Form 10F’ as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.

BANK DETAILS

Eligible Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

Eligible Shareholders holding Equity Shares in physical form, the bank account details for the purpose of interest payment, if any, will be taken from details provided by you. Also kindly attached copy of cancel cheque for below account for verification

| | | |
|---|--------------|------------|
| Name of the Bank _____ | Branch _____ | City _____ |
| MICR Code _____ | (9 Digits) | IFSC _____ |
| Account Number (CBS Account): _____ Account Type (CA / SB / NRE / NRO / others) (please specify): _____ | | |
| Non Resident Eligible Shareholders are requested to state their NRO / NRE Bank Account Number as applicable based on the status of their account in which they hold Physical Equity Shares. | | |

In case of interest payments, if any, by the Acquirer for delay in payment of Open Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act. For details, please refer to instruction no. 23 given overleaf.

Yours faithfully,

| Signed and Delivered: | Full Name | PAN | Signature |
|-----------------------|-----------|-----|-----------|
| First / Sole Holder | | | |
| Joint Holder 1 | | | |
| Joint Holder 2 | | | |
| Joint Holder 3 | | | |

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: _____

Date: _____

-----Tear Here-----

Acknowledgement Receipt – Shalimar Paints Limited – Open Offer

Received from Mr./Ms./M/s. _____

Form of Acceptance-cum-Acknowledgement for Shalimar Paints Limited – Open Offer as per details below:

Copy of delivery instruction to depository participant of Client ID for _____ Equity Shares

Date of Receipt:

Stamp of collection centre:

Signature of Official

INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated [●].

1. **PLEASE NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. **AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI (LODR) REGULATIONS 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 DEMATERIALIZED 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.**
5. The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the and submit the following set of documents for verification procedure as mentioned below:
 - a) Original share certificate(s)
 - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
 - c) Self-attested copy of the Eligible Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
 - d) This Form - for Eligible Shareholders holding Equity Shares in physical form, duly completed and signed in accordance with the instructions contained herein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
 - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
 - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.

Eligible 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.

6. In case of unregistered owners of Equity Shares in physical form, the Eligible Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Eligible Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
7. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
8. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
9. The Eligible Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer: i.e. BEETAL Financial & Computer Services Private Limited on or before the date of closure of the Tendering Period, at the following address: [●]
10. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the exchange bidding system. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.

11. Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Offer would have to do so through their respective selling member by indicating the details of Equity Shares they intend to tender under the Offer.
12. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
13. If the Equity Shares tendered are rejected for any reason, the Equity Shares will be returned to the sole/first named Eligible Shareholder(s) along with all the documents received at the time of submission.
14. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at paragraph 8 (*Procedure for Acceptance and Settlement of the Offer*).
15. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched/sent through electronic mail to all the Eligible Shareholders as on the Identified Date, who have registered their email ids with the Depositories and through speed post / registered post to shareholders who do not have registered email id and/or the Target Company. In case of non-receipt of the Letter of Offer, the Eligible Shareholders of the Target Company may download the same from the respective websites of SEBI (www.sebi.gov.in), the Registrar to the Offer (www.beetalfinancial.com), the Manager to the Offer (www.swastika.co.in), BSE (www.bseindia.com), and NSE (www.nseindia.com) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.
16. All the Eligible Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. All documents/remittances sent by or to Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to adequately safeguard their interests in this regard.
18. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the exchange bidding system.
19. In case any person has submitted Equity Shares in physical form for dematerialisation, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
20. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at paragraph 8 (*Procedure for Acceptance and Settlement*).
21. The Tender Form and TRS is not required to be submitted to the Acquirer, the Manager to the Offer or the Registrar to the Offer. Eligible Shareholders holding Equity Shares in dematerialised form are not required to fill the Form of Acceptance-cum-Acknowledgment unless required by their respective selling broker. Equity Shares under lock-in will be required to fill the respective Form of Acceptance-cum-Acknowledgment.
22. If non-resident Eligible Shareholders had required any approval 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 Equity Shares held by them pursuant to this Open Offer. Further, non-resident Eligible Shareholders must obtain all approvals required, if any, to tender the Equity Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of RBI, the non-resident Eligible Shareholder should state that the Equity Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
23. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.
24. Eligible Shareholders who wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.

For resident Eligible Shareholders:

- Self-attested copy of PAN card
- Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of consideration (certificate for deduction of tax at lower rate)
- Self-declaration in Form 15G/Form 15H (in duplicate), if applicable

For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)

Self-attested declaration in respect of residential status and tax status of Eligible Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);

For non-resident Eligible Shareholders:

Self-attested copy of PAN card

Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest

Tax Residency Certificate and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement

Self-attested declaration that it does not have a Permanent Establishment in India either under the IT Act or applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the Income Tax Act) of which the Eligible Shareholder claims to be a tax resident

Self-attested declaration in respect of residential status and tax status of Eligible Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)

Tax certificate issued by the income tax/statutory authorities of the overseas jurisdiction where the non-resident Eligible Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction.

In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted up to the maximum marginal rate as may be applicable to the relevant category, to which the Eligible Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER.

All future correspondence, if any, should be addressed to the respective Selling Broker, or to the Registrar to the Offer at the following address:

All future correspondence, if any, should be addressed to the respective Selling Broker, or the Registrar to the Offer at:



BEETAL Financial & Computer Services Private Limited

Address: "BEETAL HOUSE", 3rd Floor, 99, Madangir, Behind Local Shopping Centre, New Delhi-110062

Contact person: Punit Kumar Mittal

Tel no.: 011-29961281-83,26051061, 26051064

Fax no.: 011-29961284

Email: beetal@beetalfinancial.com, beetalrta@gmail.com

Website: www.beetalfinancial.com

SEBI registration: INR000000262

Validity period: Permanent

Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: ____ / ____ / ____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L 2 4 2 2 2 H R 1 9 0 2 P L C 0 6 5 6 1 1

Name of the company (in full): **SHALIMAR PAINTS LIMITED**

Name of the Stock Exchange where the company is listed, (if any): **BSE Limited and National Stock Exchange of India Limited**

DESCRIPTION OF SECURITIES:

| Kind/ Class of securities (1) | Nominal value of each unit of security (2) | Amount called up per unit of security (3) | Amount paid up per unit of security (4) |
|----------------------------------|---|--|--|
| Equity Shares | INR 2/- | INR 2/- | INR 2/- |

| No. of Securities being Transferred | | Consideration received (in INR) | |
|-------------------------------------|----------|---------------------------------|------------|
| In figures | In words | In words | In figures |
| | | | |

| Distinctive Number | From | | |
|--------------------|------|--|--|
| | To | | |
| | | | |

| Corresponding Certificate Nos. | | | |
|-----------------------------------|--|--|--|
| | | | |

Transferor's Particulars

Registered Folio Number: _____

| Name(s) in full | PAN No. | Signature(s) |
|-----------------|---------|--------------|
| 1. _____ | _____ | _____ |
| 2. _____ | _____ | _____ |
| 3. _____ | _____ | _____ |

I, hereby confirm that the transferor has signed before me.

Signature of the witness: _____

Name of the witness: _____

Address of the witness: _____

Pin code: _____

| Transferee's Particulars | | |
|------------------------------------|--|---|
| Name in full (1) | Father's/ Mother's / Spouse's Name (2) | Address & E-mail id (3) |
| HELLA INFRA MARKET PRIVATE LIMITED | N.A. | ADDRESS: Unit No. 401 to 413, Opal Square Plot No. C-1, Wagle Estate, Thane (West), Maharashtra-400604 E-MAIL ID: cs@infra.market |
| Occupation (4) | Existing Folio No., if any (5) | Signature (6) |
| BUSINESS | | 1. _____ 2. _____ 3. _____ |

| Folio No. of Transferee | Specimen Signature of Transferee(s) |
|-------------------------|-------------------------------------|
| _____ | 1. _____ |
| _____ | 2. _____ |
| _____ | 3. _____ |

Value of Stamp affixed: INR

Enclosures:

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

Stamps

For Office Use Only

Checked by _____
 Signature Tallied by _____
 Entered in the Register of Transfer on _____
 _____ vide Transfer no _____
 Approval Date _____
 Power of attorney / Probate / Death certificate / Letter of Administration Registered on _____ at
 No _____

On the reverse page of the certificate

| Name of Transferor | Name of Transferee | No. of Shares | Date of Transfer | Signature of authorized signatory |
|--------------------|--------------------|---------------|------------------|-----------------------------------|
| | | | | |