

January 10, 2020

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

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

Dear Sirs /Madam,

Subject: Draft letter of offer in relation to the open offer to the Public Shareholders of Snowman Logistics Limited (the “Target Company”) by Adani Logistics Limited (“Acquirer”) together with Adani Ports and Special Economic Zone Limited (“PAC”), in their capacity as the persons acting in concert, (“Open Offer”/ “Offer”).

In reference to the captioned Open Offer, we have submitted the public announcement vide our e-mail dated December 27, 2019 and the detailed public statement vide our e-mail dated January 3, 2020.

In accordance with Regulation 18(1) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the “SEBI SAST Regulations”), please find enclosed a copy of the draft letter of offer dated January 10, 2020 (“DLOF”).

Capitalised terms not defined herein shall have the same meaning as ascribed to in the DLOF.

Thanking You,

Yours truly,

For **JM Financial Limited**


Name: Vikas Kotkar
Designation: ED



Enclosure: As above

DRAFT LETTER OF OFFER

“THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION”

The Letter of Offer is sent to you as a Public Shareholder (*as defined below*) of **SNOWMAN LOGISTICS LIMITED** (“**Target Company**”). If you require any clarifications about the actions to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (*as defined below*) or the Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement to the member of the Stock Exchange (*as defined below*) through whom the said sale was effected.

OPEN OFFER BY

Adani Logistics Limited (“Acquirer”)

Registered Office: Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India
Telephone: +91 79 2656 5555; Fax: +91 79 2555 5600

ALONG WITH

Adani Ports and Special Economic Zone Limited (“PAC”)

Registered Office: Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India
Telephone: +91 79 2656 5555; Fax: +91 79 2555 5600

At a price of INR 44.00 (“**Offer Price**”) per Equity Share, payable in cash, to acquire up to 4,34,42,879 fully paid up equity shares (“**Offer Shares**”), constituting 26.00% of the Voting Share Capital (*as defined below*) pursuant to and in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”) from the Public Shareholders

OF


SNOWMAN LOGISTICS LIMITED (“Target Company”),

Registered office: Plot No. M-8, Talaja Industrial Area, MIDC, Raigad, Navi Mumbai, Maharashtra 410 206, India
Tel: +91-9821383250; Fax: +91 80 3993 9500

NOTE:

1. This Offer (*as defined below*) is being made by the Acquirer and the PAC pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations.
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Non-resident Indian (“**NRI**”) and overseas corporate body (“**OCB**”) holders of the Equity Shares, willing to tender their Equity Shares in this Offer, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the Reserve Bank of India (“**RBI**”)) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the holders of Equity Shares who are not persons resident in India including NRIs, OCBs, Foreign Portfolio Investors (“**FPIs**”) and Foreign Institutional Investors (“**FIIs**”), willing to tender their Equity Shares in this Offer, 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, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered in this Offer.
5. To the best of the knowledge of the Acquirer and the PAC, there are no statutory approval(s) required by the Acquirer and PAC to complete the Underlying Transaction (*as defined below*) and this Offer. However, in case of any statutory approval(s) being required by the Acquirer and/ or PAC at a later date, this Offer shall be subject to such approvals. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/ or the PAC, the Acquirer and/ or PAC may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.
6. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price or the number of Offer Shares, upwards, at any time up to prior to commencement of 1 Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*), i.e. up to Friday, February 14, 2020, and the Acquirer and PAC shall (a) make corresponding increases to the escrow amounts, as more particularly set out in Part 5 (Offer Price and Financial Arrangements), (b) make a public announcement in the newspapers in which the DPS (*as defined below*) was published, and (c) simultaneously with the making of such announcement, inform Securities Exchange Board of India (“**SEBI**”), the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
7. **There has been no competing offer as of the date of this Draft Letter of Offer (“DLOF”).**
8. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
9. Unless otherwise stated, the information set out in this DLOF reflects the position as of the date hereof.
10. A copy of the PA (*as defined below*), DPS and this DLOF (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI (www.sebi.gov.in).

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 JM Financial Limited 7th Floor, Energy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India. Tel. No.: +91 22 6630 3030 Fax No.: +91 22 6630 3330 Email ID: snowman.openoffer@jmf.com Contact Person: Ms. Prachee Dhuri SEBI Registration Number: INM000010361	 Link Intime India Private Limited C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083 Tel : + 91 22 49186200 Fax : + 91 22 49186195 Website: www.linkintime.co.in Email: snowmanlogistics.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES OF OPEN OFFER

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

Sr.No	Activities	Dates*
1	Issue of PA	Friday, December 27, 2019
2	Publication of the DPS in newspapers	Friday, January 03, 2020
3	Filing of the DLOF with SEBI	Friday, January 10, 2020
4	Last date for public announcement for competing offer(s)	Friday, January 24, 2020
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 to the Offer)	Friday, January 31, 2020
6	Identified Date [#]	Tuesday, February 04, 2020
7	Last date by which the Letter of Offer is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date, and to Stock Exchanges and Target Company and Registrar to issue a dispatch completion certificate	Tuesday, February 11, 2020
8	Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders for this Open Offer	Friday, February 14, 2020
9	Last date for upward revision of the Offer Price / the size of the Offer	Friday, February 14, 2020
10	Date of publication of opening of the Open Offer public announcement in the newspapers in which the DPS was published	Monday, February 17, 2020
11	Date of commencement of the Tendering Period (“ Offer Opening Date ”)	Tuesday, February 18, 2020
12	Date of closure of the Tendering Period (“ Offer Closing Date ”)	Wednesday, March 04, 2020
13	Last date of communicating the rejection/ acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders	Thursday, March 19, 2020
14	Last date for publication of post- Offer public announcement in the newspapers in which the DPS was published	Thursday, March 26, 2020

**The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations and are subject to receipt of statutory/regulatory approvals, if any, and may have to be revised accordingly.*

Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all Public Shareholders, i.e. holders (registered or unregistered) of Equity Shares (except the Acquirer, PAC, parties to the SPA, or persons deemed to be acting in concert with such parties) are eligible to participate in the Offer any time during the Tendering Period.

RISK FACTORS

The risk factors set forth below pertain to this Offer and association with the Acquirer and PAC, and do not pertain to the present or future business or operations of the Target Company or any other related matters. These risk factors are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in the Offer, but are merely indicative. Public Shareholders are advised to consult their legal advisor, stock broker, and investment consultant and/ or tax advisors, for analyzing all the risks with respect to their participation in the Offer.

1. Risk factors relating to the Underlying Transaction and the Open Offer

- 1.1. To best of the knowledge of the Acquirer and the PAC, there are no statutory approval(s) required by the Acquirer and PAC to complete the Underlying Transaction or this Offer. In the event any statutory approvals become applicable, this Offer shall be subject to receipt of such statutory approvals. The Acquirer and PAC shall have the right to withdraw the Offer in accordance with the provisions of Regulation 23(1) of the SEBI (SAST) Regulations if any such statutory approval, as may be required, is refused. In the event of such a withdrawal of the Offer, the Acquirer and the PAC (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 1.2. In case of delay in receipt of any statutory approval, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non- receipt of such approval was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PAC to diligently pursue such approval, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Public Shareholders, for delay, at such rate as may be specified by SEBI. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer and PAC will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 1.3. The acquisition of Equity Shares tendered by NRIs and OCBs is subject to approval from the RBI. NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI or the relevant government authorities) and submit copies of such approvals, along with the other documents required in terms of this DLOF. Further, if the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, Qualified Foreign Investors, FIIs and FPIs) had required any approvals (including from the RBI) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals, to tender the Equity Shares held by them along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on a repatriable basis or a non-repatriable basis.
- 1.4. The completion of the acquisition of the Sale Shares (*as defined below*) under the SPA (*as defined below*) is subject to the terms and conditions of the SPA (including the conditions precedent to the consummation of the transactions contemplated under the SPA) and completion risks as would be applicable.

- 1.5. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer, on behalf of the Public Shareholders who have tendered their Equity Shares until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer during such period, even if the acceptance of the Equity Shares in this Offer and/ or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares and disclaims any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- 1.6. The Public Shareholders should note that under the SEBI (SAST) Regulations, once the Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of the Equity Shares under the Offer and/ or the dispatch of consideration.
- 1.7. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, PAC and the Manager to the Offer do not accept any responsibility in this regard, including for the accuracy or otherwise of the tax provisions set forth in this DLOF.
- 1.8. This Offer is subject to completion risks as would be applicable to similar transactions.
- 1.9. The information pertaining to the Target Company and/ or the Seller contained in the PA or DPS or this DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Seller, as the case may be, or publicly available sources. The Acquirer does not accept any responsibility with respect to any misstatement by the Target Company and/ or the Seller in relation to such information.
- 1.10. In the event that either: (a) there is any litigation leading to a stay or an injunction on the Offer or that restricts or restrains the Acquirer or the PAC from performing their obligations hereunder, or (b) SEBI instructs the Acquirer and the PAC not to proceed with the Offer, then the Offer process may be withdrawn or may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly tendered and accepted under this Offer as well as the return of Equity Shares not validly tendered and accepted under this Offer, may be delayed. In the event SEBI instructs the Acquirer and/ or PAC to not proceed with this Offer, then this Offer process shall be withdrawn and the Acquirer and the PAC (through the Manager to the Offer) shall make an announcement of such withdrawal within 2 Working Days of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- 1.11. Any person placing reliance on any source of information other than the PA, the DPS, and this DLOF, any other advertisement or materials issued by or on behalf of the Acquirer and PAC, will be doing so at its own risk. The Acquirer, PAC and the Manager to the Offer accept no responsibility for statements made in connection with this Offer, other than those they expressly take responsibility for in the PA, the DPS, and this DLOF, or in any advertisement or other materials issued by or on behalf of the Acquirer and PAC.

- 1.12. Neither the Acquirer, PAC nor the Manager to the Offer accept any responsibility for the information contained in the PA, the DPS, and this DLOF, any other advertisement/ publications to be made in connection with this Offer that pertains to the Target Company and the Seller, and the information that has been obtained from public sources or provided by the Target Company and the Seller.
- 1.13. This DLOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This DLOF does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
- 1.14. The Offer is being made for securities of an Indian company and Public Shareholders of the Target Company in the U.S. (*as defined below*) should be aware that this DLOF and any other documents relating to the 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 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.
- 1.15. The receipt of cash pursuant to the Offer by a Public Shareholder of the Target Company may be a taxable transaction for U.S. federal income tax purposes and under applicable U.S. state and local, as well as foreign and other, tax laws. Each Public Shareholder of the Target Company is urged to consult his independent professional adviser immediately regarding the tax consequences of accepting the Offer.
- 1.16. Neither the U.S. Securities Exchange Commission nor any U.S. state securities commission has approved or disapproved the Offer or passed any comment upon the adequacy or completeness of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States of America.
- 1.17. The Public Shareholders who have accepted this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of Equity Shares under this Offer or the dispatch of consideration is delayed.

2. Risk factors relating to the Acquirer and PAC

- 2.1. Neither the Acquirer, the PAC nor the Manager to the Offer make any assurances with respect to its investment/ divestment decisions relating to the proposed shareholding in the Target Company.
- 2.2. Neither the Acquirer, the PAC nor the Manager to the Offer make any assurance with respect to the continuation of past trends in the financial performance of the Target Company.
- 2.3. Neither the Acquirer, the PAC nor the Manager to the Offer make any assurance with respect to the future financial performance of the Target Company.

- 2.4. Neither the Acquirer, the PAC nor the Manager to the Offer can provide any assurance with respect to the market price of the Equity Shares, before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.
- 2.5. For the purpose of disclosures in the DLOF relating to the Target Company and the Seller, the Acquirer and the PAC have relied on the information provided by the Target Company and the Seller and have not independently verified the accuracy of details of the Target Company and the Seller.
- 2.6. As per Regulation 38 of the SEBI (LODR) Regulations, as amended, read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“**SCRR**”), the Target Company is required to maintain at least 25% public shareholding (“**MPS**”), as determined in accordance with SCRR, on a continuous basis for listing.

The risk factors set forth above are not a complete analysis of all risks in relation to the Underlying Transaction, Offer or in association with the Acquirer and the PAC but are only indicative in nature. The risk factors set forth above are limited to the Underlying Transaction and the 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 Public Shareholders in the Offer. Public Shareholders are advised to consult their stock brokers, tax advisors or investment consultants for understanding further risks with respect to their participation in the Offer.

3. CURRENCY OF PRESENTATION

In this DLOF, all references to “**Rs.**” / “**INR**” are to Indian Rupee(s), the official currency of India. 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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KEY DEFINITIONS/ ABBREVIATIONS

Acquirer	Adani Logistics Limited
Board of Directors	Board of Directors of the Acquirer, the PAC or the Target Company, as the case may be.
BSE	BSE Limited.
Buying Broker	JM Financial Services Limited.
Clearing Corporation	Indian Clearing Corporation Limited and National Securities Clearing Corporation Limited.
Crore	1,00,00,000 units.
Detailed Public Statement / DPS	Detailed Public Statement dated January 2, 2020, which was published on January 3, 2020 in all editions of Financial Express and Jansatta, and Mumbai edition of Navshakti, issued by the Manager to the Offer, on behalf of the Acquirer and PAC, in compliance with the SEBI (SAST) Regulations.
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated January 10, 2020.
DTAA	Double Taxation Avoidance Agreement.
Eligible Shareholders or Public Shareholders	All the shareholders of the Target Company who are eligible to tender their shares in the Open Offer, excluding: (i) the promoters, members of the promoter group of the Target Company; (ii) the Acquirer and the PAC; (ii) parties to the SPA; and (iii) persons deemed to be acting in concert with such parties.
EPS	Earnings per share
Equity Share(s) / Share(s)	Each fully paid-up equity share of the Target Company, having face value of INR 10 each.
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time.
FI	Financial Institutions.
FII / FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA.
Form of Acceptance	Form of Acceptance-cum-Acknowledgement.

Identified Date	Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Eligible Shareholders to whom this DLOF shall be sent i.e. February 4, 2020.
Manager to the Offer	JM Financial Limited.
MF	Mutual Funds.
NRI	Non-resident Indian.
NSE	National Stock Exchange of India Limited.
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000.
Offer / Open Offer	The Offer being made by the Acquirer for acquisition of up to 4,34,42,879 Equity Shares, constituting 26.00% of the Voting Share Capital of the Target Company.
Offer Period	Offer period as defined in the SEBI (SAST) Regulations
Offer Price	Price of INR 44.00 per Equity Share.
Offer Size	4,34,42,879 Equity Shares, constituting 26% of the Voting Share Capital of the Target Company.
PAC	Adani Ports and Special Economic Zone Limited.
Public Announcement / PA	Public Announcement dated December 27, 2019 issued by the Manager to the Offer on behalf of the Acquirer, in relation to this Offer and filed with the Stock Exchanges, SEBI and the Target Company in accordance with the SEBI (SAST) Regulations.
RBI	Reserve Bank of India.
Registrar to the Offer	Link Intime India Private Limited.
Rs./Rupees/INR	The lawful currency of the Republic of India.
Sale Shares	6,72,54,119 Equity Shares constituting 40.25% of the Voting Share Capital, representing the equity shares being acquired under the SPA.
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereof.
SEBI	Securities and Exchange Board of India.

SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof.
SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
Seller / GDL	Gateway Distriparks Limited
SPA	Share purchase agreement dated December 27, 2019 executed between the Acquirer, the Seller and the Target Company.
Stock Exchanges	Collectively refers to BSE and NSE.
Target Company	Snowman Logistics Limited.
Tendering Period	The 10 Working Days period from February 18, 2020 to March 4, 2020 (both days inclusive).
U.S.	United States of America.
Underlying Transaction	The transaction as contemplated under the SPA.
Voting Share Capital	Total voting equity share capital of the Target Company as on the 10th working day from the closure of the tendering period for the Offer (such Voting Share Capital excludes 24,000 employee stock options of the Target Company which were surrendered by its employees).
Working Day	Working day as defined under the SEBI (SAST) Regulations, in Mumbai.

Note: All capitalized terms used in this DLOF, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.

1. DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DLOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DLOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF SNOWMAN LOGISTICS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PAC OR THE TARGET COMPANY WHOSE SHARES ARE/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER/ MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER/ MANAGER TO THE OFFER, JM FINANCIAL LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 10, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER OR THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

UNITED STATES OF AMERICA

THE OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY 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 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.

THE RECEIPT OF CASH PURSUANT TO THE OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OFFER, SINCE THE TARGET COMPANY, THE ACQUIRER AND THE PAC ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRER, THE PAC OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRER, THE PAC OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT.

NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS DLOF. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

General Disclaimer

This DLOF, the DPS and the PA in connection with the Offer, have been prepared for the purposes of compliance with 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 publication of the DPS nor the delivery of this DLOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company, the Seller, the Acquirer, the PAC and any persons deemed to be acting in concert with them, since the date hereof or that the information contained herein is correct as at any time subsequent to this date. It is not to be implied that the Acquirer, the PAC, or any persons acting in concert with the them, are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Public Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any 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 the DPS and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

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

2. DETAILS OF THE OFFER

2.1 BACKGROUND TO THE OFFER

2.1.1 This Offer, being a mandatory open offer, is being made by the Acquirer and the PAC in terms of Regulation 3(1) and 4 of the SEBI (SAST) Regulations, pursuant to the execution of the SPA to acquire in excess of 25% of equity share capital of the Target Company and control over the Target Company.

2.1.2 Summary of the SPA

- (i) The SPA has been entered into between the Target Company, the Acquirer and the Seller on December 27, 2019 (“**Execution Date**”) for the purchase of the Sale Shares, subject to, and in accordance with, the terms of the SPA.
- (ii) Under the SPA, subject to completion of the conditions precedent as set out in the SPA, the Acquirer has agreed to acquire the Sale Shares (i.e. 6,72,54,119 Equity Shares of the Target Company held by the Seller) for a total cash consideration of INR 295,91,81,236 at a price of INR 44.00 per Equity Share.
- (iii) The sale and purchase of the Sale Shares in accordance with the SPA are subject to certain conditions, including but not limited to:
 - a. The Target Company shall have obtained Lender Consents (*as defined in the SPA*);
 - b. The Seller shall have removed all Encumbrances (*as defined in the SPA*) on the Sale Shares, including any negative lien thereon, if any;
 - c. The Seller shall have obtained written consent from the debenture holders / debenture / security trustee in accordance with the terms of the Debenture Trust Deed dated March 27, 2019 executed by the Seller, for the purpose of consummating the Underlying Transaction;
 - d. The Target Company shall have made applications for obtaining consents or providing intimation for the purpose of consummation of the Underlying Transaction, as may be applicable in terms of the relevant contracts executed with the customers of the Target Company as set out in the SPA; and
 - e. The Target Company having made applications for obtaining or making necessary rectifications (as the case may be) in the Governmental Approvals required for the Business operations of the Target Company, as identified in the SPA.
- (iv) The SPA shall automatically terminate if any of the Seller’s Conditions Precedent (*as defined in the SPA*) are not fulfilled on or before the CP Completion Long Stop Date (*as defined in the SPA*) or, to the extent applicable, waived or deferred by the Acquirer in writing. Further, the Acquirer shall have the right to terminate the SPA by giving written notice to the Seller upon occurrence of any event which may have a Material Adverse Effect (*as defined in the SPA*) and where such Material Adverse Effect is subsisting and cannot be or if capable of being cured, is not cured within 30 Business Days (*as defined in the SPA*) of being notified in writing or such other date as may be mutually agreed between the parties in writing.

Pursuant to the terms of the SPA, the Seller and its Affiliates (*as defined in the SPA*) shall not, for a period of 5 years from the Closing Date (*as defined in the SPA*), directly or indirectly, invest in, bid for, carry on, manage, operate, conduct, join, have any financial interest in or control, etc. in any Person where such Person's business competes with the Business (*as defined in the SPA*).

- (v) Pursuant to the terms of the SPA, the board of the Target Company will be reconstituted by way of resignation of some of the existing directors and appointment of directors by the Acquirer. The directors to be appointed will be identified and appointed on the Closing Date.
- (vi) Details of the Underlying Transaction is set out below:

Details of Underlying Transaction ⁽¹⁾						
Type of transaction (direct/indirect)	Mode of transaction (agreement/ allotment/ market purchase)	Shares/voting rights acquired/proposed to be acquired		Total consideration for shares/voting rights acquired (INR)	Mode of payment	Regulation which has triggered
		Number	% vis-à-vis total equity/Voting Share Capital			
Direct	Agreement – The Acquirer entered into a SPA with GDL to acquire up to 6,72,54,119 Equity Shares, constituting 40.25% of the Voting Share Capital, subject to, and in accordance with, the terms of the SPA	6,72,54,119	40.25%	INR 295,91,81,236	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

Note:

- (1) Upon completion of the Underlying Transactions, the Acquirer will be in sole control of the Target Company.

2.1.3 The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer to be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

2.1.4 The current and proposed (post-Offer) shareholding of the Acquirer and PAC in the Target Company are as follows:

Details	Acquirer		PAC	
	No. of Equity Shares	%	No. of Equity Shares	%
Shareholding as on the date of the PA	Nil	Nil	Nil	Nil
Shares acquired between the date of the PA and the date of the DPS	Nil	Nil	Nil	Nil
Shareholding as on the date of the DPS	Nil	Nil	Nil	Nil
Shareholding after completion of acquisitions under the SPA (based on Equity Share Capital)	6,72,54,119	40.25%	Nil	Nil
Post Offer shareholding* (based on Voting Share Capital)	11,06,96,998	66.25%	Nil	Nil

*Assuming full acceptance in the Offer and prior to completion of the underlying transaction

- 2.1.5 Upon completion of the transactions contemplated under the SPA, the Seller will not hold any Equity Shares or other interest in the Target Company. Further, the Seller shall cease to be the promoter of the Target Company and shall relinquish the management control of the Target Company in favour of the Acquirer. The Acquirer will acquire control of the Target Company, and be classified as new promoters in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations.
- 2.1.6 Neither the Acquirer nor the PAC have any nominee directors or representatives on the board of directors of the Target Company as on the date of this DLOF.
- 2.1.7 The Acquirer and the PAC are making this Offer to all Public Shareholders to acquire up to 4,34,42,879 Equity Shares, constituting 26.00% of the Voting Share Capital of the Target Company.
- 2.1.8 In terms of Regulation 16(1) of the SEBI (SAST) Regulations, this DLOF is being issued within 5 Working Days from the date of the Detailed Public Statement.
- 2.1.9 Neither the Acquirer nor the PAC have been prohibited by the SEBI from dealing in securities, in terms of Section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.10 The committee of independent directors formulated by the Board of Directors of the Target Company in accordance with Regulation 26(6) and 26(7) of the SEBI (SAST) Regulations is required to publish a reasoned recommendation for the Offer at least 2 Working Days before the commencement of the Tendering Period in the same newspapers in which the DPS was published.

2.2 DETAILS OF THE PROPOSED OFFER

- 2.2.1 The PA was made by the Manager to the Offer on behalf of the Acquirer and PAC and submitted to the Stock Exchanges on December 27, 2019, and was sent to the registered office of the Target Company on December 30, 2019 and was filed with SEBI on December 30, 2019.
- 2.2.2 In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the DPS dated January 2, 2020 was published on January 3, 2020 in the following newspapers:

Newspaper	Language	Editions
Financial Express	English national daily	All editions
Jansatta	Hindi national daily	All editions
Navshakti	Marathi daily	Mumbai edition (being the regional language of the place where the equity shares are listed, and which is also widely circulated in Navi Mumbai, being the place of the registered office of the Target Company)

A copy of the PA and the DPS are also available on the SEBI website (www.sebi.gov.in).

- 2.2.3 This Offer is to acquire 4,34,42,879 Equity Shares constituting 26.00% of the Voting Share Capital of the Target Company at a price of INR 44.00 per Equity Share, payable in cash, in accordance with Regulation 9(1)(a) of SEBI (SAST) Regulations and subject to the terms and conditions set out in the PA, the DPS and this DLOF, for a total consideration of up to INR 191,14,86,676, assuming full acceptance of this Offer (“**Maximum Offer Consideration**”).
- 2.2.4 As on the date of this DLOF, there are no outstanding partly paid-up Equity Shares of the Target Company or outstanding convertible instruments (warrants/ fully convertible debentures/ partially convertible debentures) issued by the Target Company.
- 2.2.5 There is no differential price for the Equity Shares.
- 2.2.6 This is not a competitive offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this DLOF.
- 2.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 2.2.8 To the best of the knowledge of the Acquirer and the PAC, no statutory approvals are required by the Acquirer or the PAC to complete this Offer. However, in case any statutory approval is required by the Acquirer or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer or the PAC shall make the necessary applications for such approvals. The Acquirer and the PAC will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory approval, as may be required, is refused. In the event of withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the DPS in relation to the Offer was published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company.
- 2.2.9 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
- 2.2.10 The acquisition of Equity Shares tendered by NRIs and OCBs is subject to and where applicable such OCBs and NRIs submitting the approval/ exemption from the RBI for tendering their Equity Shares in the Offer.
- 2.2.11 The Manager to the Offer does not hold any Equity Shares as on the date of this DLOF. The Manager to the Offer further declares and undertakes not to deal on its own account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.
- 2.2.12 The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirer and the PAC at any time prior to 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.

- 2.2.13 The Acquirer and the PAC have not acquired any Equity Shares of the Target Company since the date of the PA i.e. December 27, 2019 and up to the date of this DLOF.
- 2.2.14 The Equity Shares, which will be acquired by the Acquirer and the PAC, shall be fully paid-up, free from all liens, charges and encumbrances. The Acquirer shall acquire Equity Shares held by the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers declared thereof.
- 2.2.15 The Equity Shares are listed on the Stock Exchanges.
- 2.2.16 As per Regulation 38 of the SEBI (LODR) Regulations, as amended, read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“**SCRR**”), the Target Company is required to maintain MPS, as determined in accordance with SCRR, on a continuous basis for listing. The completion of this Offer will not result in a breach of the requirement to maintain MPS.

2.3 OBJECT OF ACQUISITION/ OFFER

- 2.3.1 The Open Offer is being made as a result of the acquisition of more than 25% of shares, voting rights and control of the Target Company by the Acquirer resulting in a change of control of the Target Company in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations. The acquisition of Equity Shares in the Target Company is in line with strategy and vision of the Acquirer to be a leader in providing integrated logistics services in India and expand assets and service capabilities including cold storage. The acquisition provides a platform to capture growth in key end use segments (like pharma, seafood, QSR) and augment the capacity as required. The intended business focus will be to increase utilization, higher realization from product mix change and operational efficiencies (eg. electricity costs, co-location of new facilities).
- 2.3.2 The Acquirer has not formulated any proposal as on the date of this DLOF which may have an adverse material impact on the employees of the Target Company and the locations of its places of business.
- 2.3.3 In terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PAC do not have any intention to restructure or alienate, dispose off or otherwise encumber any material assets or investments of the Target Company, through sale, lease, encumbrance, and reconstruction, within 2 years from the date of completion of the Offer, other than in the ordinary course of business. If the Acquirer intends to restructure or alienate any material asset of the Target Company (including on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company, within a period of 2 years from the date of completion of the Offer, a special resolution of the shareholders of the Target Company in accordance with the proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken before undertaking any such alienation of any material assets.

3. BACKGROUND OF THE ACQUIRER, PAC AND SELLER

3.1 ADANI LOGISTICS LIMITED (“Acquirer”)

3.1.1 The Acquirer is a public limited company, with company identification number U63090GJ2005PLC046419. It was originally incorporated as Inland Conware Private Limited on July 13, 2005 under the Companies Act, 1956. Its name was changed to Adani Logistics Limited on July 7, 2009 and became a public company with effect from April 5, 2010, pursuant to a fresh certificate of incorporation issued by the Registrar of Companies, Gujarat, Dadra and Nagar Havelli. The registered office of the Acquirer is situated at Adani House, Near Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The contact details of the Acquirer are: telephone number:+91 79 2656 5555 and fax number:+91 79 2555 5600.

3.1.2 The issued and paid up share capital of the Acquirer is INR 655,00,00,000 consisting of 65,50,00,000 fully paid up equity shares of INR 10 each. The PAC holds 100% of the share capital of the Acquirer.

3.1.3 The Acquirer is a part of the Adani Group.

3.1.4 The Acquirer is engaged in the business of providing end-to-end logistics services in the country with presence across all major markets and has expertise in handling varied customer across segments like retail, industrial, bulk, break-bulk, liquids, auto and grain handling.

3.1.5 The shares of the Acquirer are not listed on any stock exchange in India or abroad.

3.1.6 Pursuant to the completion of the transactions contemplated under the SPA in accordance with the terms thereof, the Acquirer will hold 6,72,54,119 Equity Shares in the Target Company constituting 40.25% of the Voting Share Capital. The Acquirer has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. December 27, 2019 and the date of this DLOF.

3.1.7 As of the date of this DLOF, neither the Acquirer and nor the directors and key employees of the Acquirer have any relationship or interest in the Target Company. Furthermore, there are no directors on the board of the Target Company representing the Acquirer.

3.1.8 The Board of Directors of the Acquirer comprises the following members:

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
1.	Capt. Sandeep Mehta DIN: 00897409	Managing Director	Qualification - Master of Marine Experience – Capt. Sandeep Mehta is a member of the Institute of Chartered Ship Brokers and a member of the Company of Master Marines of India. He holds a certificate of competency as master of a foreign-going ship granted by the Government of India. He has been associated with Adani group since 2004.	01/11/2015

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
2.	Capt. Unmesh Abhyankar DIN: 03040812	Director	Qualification - B.Sc (University of Bombay) Experience – Capt. Unmesh Abhyankar is currently heading our operations vertical related to ports, logistics and dredging and is responsible for business reviews, analysis, innovation and excellence. He has been associated with Adani group since 2005.	01/11/2015
3.	Dr. Chitra Bhatnagar DIN: 07146185	Director	Qualification - MBBS & MD Experience – Dr. Chitra Bhatnagar is a Gynecologist and Obstetrician by profession. She had practiced for more than 20 years and has been associated with Adani group since 2015.	31/03/2015

3.1.9 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.

3.1.10 The Acquirer has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.1.11 The unaudited limited reviewed key financial information as at and for the period ended September 30, 2019, as extracted from the limited review report, and audited key financial information as at and for the periods ended March 31, 2019, March 31, 2018 and March 31, 2017, as extracted from the audited financial statements, are as follows:

(INR in Crore, unless otherwise stated)

Particulars	Six months ended September 30, 2019 (Standalone) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Standalone) (Audited)	Financial year ended March 31, 2018 (Standalone) (Audited)	Financial year ended March 31, 2017 (Standalone) (Audited)
Profit & Loss Statement				
Income from operations	417.67	582.66	826.70	746.87
Other Income	30.68	14.53	15.45	152.21
Total Income	448.35	597.19	842.15	899.08
Total Expenditure (excluding Depreciation, Interest Expenses and Taxes)	(258.22)	(492.25)	(751.20)	(667.56)
Profit Before Depreciation Interest and Taxes	190.13	104.94	90.96	231.52
Depreciation	(26.29)	(33.38)	(31.39)	(29.47)
Finance charges	(33.19)	(21.42)	(30.49)	(188.61)
Profit Before Tax	130.66	50.13	29.08	13.44
Tax expense	(30.33)	(17.50)	(14.25)	(4.12)
Profit after tax	100.33	32.64	14.82	9.31
Other comprehensive income	(0.08)	0.06	0.06	0.10

Particulars	Six months ended September 30, 2019 (Standalone) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Standalone) (Audited)	Financial year ended March 31, 2018 (Standalone) (Audited)	Financial year ended March 31, 2017 (Standalone) (Audited)
Total comprehensive income	100.25	32.70	14.89	9.41
Balance Sheet				
Sources of Funds				
Paid-up share capital	655.00	325.00	325.00	325.00
Other equity (excluding revaluation reserve)	3,367.80	1,898.64	133.61	75.76
Net Worth	4,022.80	2,223.64	458.61	400.76
Secured Loans (Non-current) ⁽²⁾	0.00	0.00	0.00	25.44
Unsecured Loans (Non-current) ⁽²⁾	268.82	272.02	391.66	73.49
Other non-current liabilities	113.74	31.89	41.81	3.46
Total	4,405.36	2,527.56	892.08	503.15
Uses of Funds				
Net Fixed Assets	936.46	661.28	592.63	609.14
Investments	2,595.74	1,474.63	5.47	0.27
Other non-current assets	322.76	301.41	71.73	36.03
Net Current Assets ⁽³⁾	550.39	90.24	222.25	(142.29)
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
Total	4,405.36	2,527.56	892.08	503.15
Other Financial Data				
Dividend (%)	0	0	0	0
Earnings Per Share (basic and diluted) (in INR)	2.36 ⁽¹⁾	1	0.46	0.29

Notes:

1. Not annualized
2. Includes current maturities of long term nature
3. Excludes current maturities of long term nature

3.1.12 The contingent liabilities of the Acquirer on a standalone basis (as disclosed in the unaudited limited reviewed financial statements as at and for the period ended September 30, 2019) are as follows:

(INR in Crore)

Sr.No	Particulars	As of September 30, 2019
1	The Company has acquired land of 25.62 Acre at Kathuwas district, Rajasthan. The Company has paid stamp duty on acquisition of such land. The Collector of stamp duty has raised a demand for additional stamp duty of INR 80.45 lacs on the Company. The Company has filed an appeal against the said demand. The management is confident that no liability will devolve on the Company in this regard. The Company has paid INR 40.22 lacs under protest. Company has received favourable order in FY 2016-17 for liability of INR 80.19 lacs. During the FY 2018-19 Company has provided liabilities of INR 0.13 lacs in the statement of profit and loss account.	0.01
2	Various matters pending before Income Tax authorities for FY 2011-12 to 2014-15	2.02

3.2 ADANI PORTS AND SPECIAL ECONOMIC ZONE LIMITED (“PAC”)

- 3.2.1 The PAC is a public listed company, with company identification number L63090GJ1998PLC034182. It was originally incorporated as Gujarat Adani Port Limited on May 26, 1998 under the Companies Act, 1956. Pursuant to a fresh certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli, its name was changed to Mundra Port and Special Economic Zone Limited on July 7, 2006. Its name was further changed to its current name of Adani Ports and Special Economic Zone Limited pursuant to a fresh certificate of incorporation issued by Registrar of Companies, Gujarat, Dadra and Nagar Havelli on January 6, 2012. The registered office of the PAC is situated at Adani House, Mithakhali Six Roads, Navrangpura, Ahmedabad 380 009, Gujarat, India. The contact details of the PAC are: telephone number +91 79 2656 5555 and fax number:+91 79 2555 5600.
- 3.2.2 The issued and paid up share capital of the PAC is INR 4,06,35,03,522 consisting of 2,03,17,51,761 fully paid up equity shares of INR 2 each.
- 3.2.3 The PAC is part of the Adani group. The Acquirer is a wholly owned subsidiary of the PAC.
- 3.2.4 The PAC, part of the globally-diversified Adani group, is a leading port developer and operator and an integrated logistics player. It has expanded its business from operating a single port at Mundra on the west coast of India to being a pan-Indian integrated logistics service provider, operating at ten strategically located ports/terminals along the Indian coastline. The PAC has a seamless integration of ports and terminals, industrial land and logistics business.
- 3.2.5 The names of the promoter and promoter group of the PAC, along with their shareholding percentage, as disclosed by it to the Stock Exchanges under Regulation 31 of the SEBI (LODR) Regulations, as of December 31, 2019 are as follows:
- Individuals:** (i) Gautambhai Shantilal Adani – negligible; (ii) Rajeshbhai Shantilal Adani – negligible;
- Others:** (i) Gautambhai Shantilal Adani & Rajeshbhai Shantilal Adani (on behalf of S. B. Adani Family Trust) – 39.34%; (ii) Gautambhai Shantilal Adani & Pritiben Gautambhai Adani (on behalf of Gautam S. Adani Family Trust) – nil; (iii) Rajeshbhai Shantilal Adani & Shilin Rajeshbhai Adani (on behalf of Rajesh S. Adani Family Trust) – negligible; (iv) Adani Properties Private Limited – nil; (v) Adani Tradeline LLP – 6.80%; (vi) Worldwide Emerging Market Holding Limited – 3.83%; (vii) Universal Trade And Investments Limited – 3.91%; (viii) Afro Asia Trade and Investments Limited – 4.43%; (ix) Emerging Market Investment DMCC – 4.14%.
- 3.2.6 PAC has not directly acquired any Equity Shares of the Target Company between the date of the PA i.e. December 27, 2019 and the date of this DLOF.
- 3.2.7 As on the date of this DLOF, neither PAC, nor its directors or key employees, have any relationship or interest in the Target Company. Furthermore, there are no directors on the board of the Target Company representing the Acquirer.
- 3.2.8 The Board of Directors of the PAC comprises the following members:

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
1.	Mr. Gautam S. Adani DIN: 00006273	Chairman & Managing Director	<p>Qualification - Bachelor's Degree in Commerce (second year)</p> <p>Experience - Mr. Gautam Adani, the Chairman and Founder of the Adani Group, has more than 33 years of business experience. Under his leadership, Adani Group has emerged as a global integrated infrastructure player with interest across Resources, Logistics and Energy verticals.</p> <p>His journey has been marked by his ambitious and entrepreneurial vision, coupled with great vigour and hard work. This has not only enabled the Adani Group to achieve milestones but also resulted in creation of a robust business model which is contributing towards building sound infrastructure in India.</p>	26.05.1998
2.	Mr. Rajesh S. Adani DIN: 00006322	Non-Independent and Non-Executive Director	<p>Qualification - Bachelor's Degree in Commerce</p> <p>Experience - Mr Rajesh Adani has been associated with Adani Group since its inception. He is incharge of the operations of the Adani Group and has been responsible for developing its business relationships. His proactive, personalized approach to the business and competitive spirit has helped towards the growth of the Group and its various businesses</p>	26.05.1998
3.	Dr. Malay Mahadevia DIN: 00064110	Whole Time Director	<p>Qualification - Master's degree in dental surgery from Nair Hospital Dental College</p> <p>Experience - Dr. Malay Mahadevia was conferred with a doctorate of philosophy in coastal ecology around Mundra area, Kutch District, Gujarat by the Gujarat University in 2008. He has been working with the Company since 1992 and has worked on the development of the Mundra Port since its conceptualisation. He is vice president of Ahmedabad Management Association.</p>	20.05.2009
4.	Mr. Karan Adani DIN: 03088095	Whole Time Director & CEO	<p>Qualification - Degree in economics from Purdue University</p> <p>Experience – Mr. Karan Adani started his career by learning the intricacies of the port operations at Mundra. Having accumulated experience throughout all levels of our operations since 2009, he is responsible for the strategic development of the Adani Group and overlooks its day to day operations. He aims to build the Adani Group's identity around an integrated business model, backed by his sound understanding of new processes, systems and</p>	24.05.2017

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
			macro-economic issues, coupled with his growing experience.	
5.	Prof. G. Raghuram DIN: 01099026	Independent and Non-Executive Director	<p>Qualification - Bachelor's degree in technology from the Indian Institute of Technology, Madras, post graduate diploma in management from the Indian Institute of Management (IIM), Ahmedabad and a doctorate in philosophy from Northwestern University.</p> <p>Experience – Prof. G Raghuram is currently a Director of Indian Institute of Management, Bangalore. Prior to taking over as director of IIM Bangalore, he was professor and chairperson of the Public Systems Group at IIMA. He has been Dean (Faculty), IIMA, Vice-Chancellor of the Indian Maritime University and Indian Railways Chair Professor.</p> <p>He specialises in infrastructure and transport systems, logistics and supply chain management. He is a Fellow of the Operational Research Society of India and Chartered Institute of Logistics and Transport. He has teaching experience at universities in India, USA, Canada, Yugoslavia, Singapore, Tanzania, UAE and Japan.</p>	14.05.2012
6.	Mr. G. K. Pillai DIN: 02340756	Independent and Non-Executive Director	<p>Qualification – M.Sc from IIT, Madras</p> <p>Experience - Mr. G. K. Pillai retired from the IAS as Union Home Secretary in 2011. He worked for the State Government of Kerala, holding various positions including that of District Collector, Quilon, Special Secretary Industries, Secretary Health and Principal Secretary to the Chief Minister.</p> <p>In the Government of India, he has worked in the Ministries of Defence, Surface Transport, Home and Commerce. He was chairman of Board of Approvals for SEZ, chief negotiator for India at the WTO and Secretary Commerce, Government of India.</p>	19.10.2012
7.	Mrs. Radhika Haribhakti DIN: 02409519	Independent and Non-Executive Director	<p>Qualification - B.com & PGDM, IIM (Ahmedabad)</p> <p>Experience - Ms. Radhika Haribhakti has over 30 years of experience in Commercial and Investment Banking with Bank of America, JM Morgan Stanley, DSP Merrill Lynch and RH Financial Services. She is the founder Director of RH Financial Services, a boutique Advisory Firm focused on M&A and raising Private Equity.</p>	30.03.2015

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
			Ms. Haribhakti is closely associated with issues of Financial Inclusion & Women Empowerment and is the former Chairperson of Friends of Women's World Banking (FWWB) and Swadhaar FinAccess. She has served on CII's National Committee on Women Empowerment and the Governing Council of Citigroup Micro Enterprise Award.	
8.	Mrs. Nirupama Rao DIN: 06954879	Independent and Non-Executive Director	<p>Qualification - Master's degree in English Literature, Doctor of Letters (Honoris Causa), Pondicherry University</p> <p>Experience - Ms. Nirupama Rao is a Fellow at Harvard University, Fellow at Brown University, and a Jawaharlal Nehru Fellow. She was conferred with the Vanitha Ratna by the Government of Kerala in 2016. She is currently a Global Fellow of The Wilson Center in Washington D.C. and a Councillor of the World Refugee Council.</p> <p>A career diplomat from the Indian Foreign Service from 1973 to 2011, she served the Government of India in several important positions including that of the Foreign Secretary of India. She has represented India in several countries during her career and was the first Indian woman to be appointed High Commissioner to Sri Lanka and Ambassador to China. She was also the first woman spokesperson of the Ministry of External Affairs. After her retirement, she was appointed as the Ambassador of India to the United States for a tenure of two years from 2011 to 2013.</p>	22.04.2019
9.	Mr. Mukesh Kumar, IAS DIN: 06811311	Non-Independent and Non-Executive Director	<p>Qualification - IAS, B. Tech (IIT Kanpur), Executive Masters in Public Administration</p> <p>Experience – Mr. Mukesh Kumar, IAS is Vice Chairman and Chief Executive Officer of Gujarat Maritime Board. He started his career in civil services as Assistant Collector (Vadodara) and brings with him over 20 years of professional experience in the public administration. Demonstrating a mix of sector vision and business acumen, Mr. Mukesh Kumar has had eminent tenures as Collector of The Dangs (Ahwa), Municipal Commissioner at Bhavnagar, Rajkot and Ahmedabad, Managing Director of Industrial Extension Bureau & Gujarat State Project Director of Universal Education Mission, Director of (Integrated Child Development Scheme-ICDs) and Commissioner of Schools. In all these positions, he has received much acclaim for making noteworthy regulatory, development and</p>	23.10.2018

S. N.	Name and DIN	Designation	Qualifications & Experience	Date of Appointment / Re-appointment
			strategic initiatives for improvement in administrative efficiency and public welfare.	
10.	Mr. Bharat Sheth DIN: 00022102	Independent and Non-Executive Director	<p>Qualification - Bachelor of Science (Economics)</p> <p>Experience - Mr. Bharat K Sheth is Deputy Chairman & Managing Director of The Great Eastern Shipping Company Limited.</p> <p>Born in 1958, in India's first family of shipping entrepreneurs, Mr. Bharat Sheth formally joined the industry in 1981. In the initial years of his career he worked in The Great Eastern Shipping Company gaining hands on experience of the business aspects of shipping. He was inducted onto the Company's Board as an Executive Director in 1989 and became Managing Director of the Company in 1999.</p>	15.10.2019

3.2.9 The equity shares of PAC are listed on the Stock Exchanges. The following are the details of the shareholding pattern of PAC as at December 31, 2019:

S.N.	Shareholder's Category	No. of issued equity shares	% of issued equity share capital
1	Promoter and Promoter Group	1,26,89,99,322	62.46
2	FII/ Mutual Funds/ FIs/ Banks/ FPIs	69,06,10,356	33.99
3	Other public	7,21,42,083	3.55
Total		2,03,17,51,761	100.00%

3.2.10 Brief information of the market prices of the equity shares of the PAC on the Stock Exchanges is provided below:

Particulars	BSE		NSE	
	Highest Closing Price	Lowest Closing Price	Highest Closing Price	Lowest Closing Price
July 2019	418.10	373.30	417.75	373.45
August 2019	376.95	345.00	376.95	345.05
September 2019	419.00	361.05	419.15	361.30
October 2019	421.70	394.65	421.70	394.60
November 2019	390.95	363.90	391.00	364.05
December 2019	377.85	361.95	377.75	361.95

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

3.2.11 PAC 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.

3.2.12 PAC has not been categorized as a wilful defaulter in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

3.2.13 The unaudited limited reviewed key financial information as at and for the period ended September 30, 2019, as extracted from the limited review report, and audited key financial information as at and for the periods ended March 31, 2019, March 31, 2018 and March 31, 2017, as extracted from the audited financial statements, are as follows:

(INR in Crore, unless otherwise stated)

Particulars	Six months ended September 30, 2019 (Consolidated) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Consolidated) (Audited)	Financial year ended March 31, 2018 (Consolidated) (Audited)	Financial year ended March 31, 2017 (Consolidated) (Audited)
Profit & Loss Statement				
Income from operations	5,615.63	10,925.44	11,322.96	8,439.35
Other Income	928.19	1,362.34	1,010.93	1,040.11
Total Income	6,543.82	12,287.78	12,333.89	9,479.46
Total Expenditure (excluding Depreciation, Interest Expenses and Taxes)	(2,458.15)	(4,333.88)	(4,261.83)	(2,747.22)
Profit Before Depreciation Interest and Taxes	4,085.67	7,953.90	8,072.06	6,732.24
Depreciation	(801.06)	(1,373.48)	(1,187.38)	(1,160.19)
Finance costs	(977.69)	(1,385.19)	(1,495.37)	(1,393.18)
Profit before share of loss from joint ventures, exceptional items and tax	2,306.92	5,195.23	5,389.31	4,178.87
Exceptional item	(58.63)	(68.95)	(155.18)	0.00
Profit before share of profit/ (loss) from joint ventures and tax	2,248.29	5,126.28	5,234.13	4,178.87
Tax expense	(160.43)	(1,081.47)	(1,544.18)	(286.63)
Profit after tax and before share of profit/ (loss) from joint ventures	2,087.86	4,044.81	3,689.95	3,892.24
Share of profit/ (loss) from joint ventures	0.03	(0.06)	0.00	9.26
Profit after tax	2,087.89	4,044.75	3,689.95	3,901.50
Other comprehensive income	(21.83)	15.41	9.85	6.67
Total comprehensive income	2,066.06	4,060.16	3,699.80	3,908.17
Balance Sheet				
Sources of Funds				
Paid-up equity share capital	406.35	414.19	414.19	414.19
Other equity (excluding revaluation reserve and non-controlling interests)	24,472.14	24,124.01	20,654.64	17,111.79
Net Worth	24,878.49	24,538.20	21,068.83	17,525.98
Non-controlling interest	436.74	209.94	149.56	139.24

Particulars	Six months ended September 30, 2019 (Consolidated) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Consolidated) (Audited)	Financial year ended March 31, 2018 (Consolidated) (Audited)	Financial year ended March 31, 2017 (Consolidated) (Audited)
Secured Loans (Non-current) ⁽²⁾	7,567.25	7,248.02	8,899.24	8,369.68
Unsecured Loans (Non-current) ⁽²⁾	18,932.61	13,751.77	12,531.75	10,582.46
Other non current liabilities	2,008.83	1,544.31	1,483.40	1,370.71
Total	53,823.92	47,292.24	44,132.78	37,988.07
Uses of Funds				
Net Fixed Assets	35,502.46	32,604.90	27,215.47	25,567.47
Investments (Non-current)	268.52	268.49	559.14	252.33
Other non current assets	9,724.87	9,022.93	5,310.49	5,857.86
Net Current Assets ⁽³⁾	8,328.07	5,395.92	11,047.68	6,310.41
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
Total	53,823.92	47,292.24	44,132.78	37,988.07
Other Financial Data				
Dividend on equity shares (%)	-	10%	100%	65%
Earnings Per Share (basic and diluted) (in INR)	10.03 ⁽¹⁾	19.27	17.74	18.89

Notes:

1. Not annualized
2. Includes current maturities of long term nature
3. Excludes current maturities of long term nature

3.2.14 The contingent liabilities of the PAC on a consolidated basis as on March 31, 2019 (as disclosed in the audited consolidated financial statements for the financial year ended March 31, 2019) are as follows:

(INR in Crore)

Sr. No.	Particulars	As of March 31, 2019
a	Corporate Guarantees given to banks and financial institutions against credit facilities availed by the joint venture entities. Amount outstanding there against INR 146.33 crore.	345.78
b	Corporate Guarantee given to a bank for credit facility availed by erstwhile subsidiary company, Mundra Port Pty Limited, Australia read with note (t) below. (Amount outstanding there against INR Nil).	Refer note (u) below
c	Certain facilities availed by the joint venture entities and other group company against credit facilities sanctioned to the company.	1,152.33
d	Bank Guarantees given to government authorities and banks (also includes DSRA bank guarantees	173.37

Sr. No.	Particulars	As of March 31, 2019
	given to bank on behalf of subsidiaries and erstwhile subsidiaries.)	
e	Civil suits filed by the Customers for recovery of damages against certain performance obligations. The said civil suits are currently pending with various Civil Courts in Gujarat. The management is reasonably confident that no liability will devolve on the Company in this regard and hence no provision is made in the books of accounts towards these suits.	0.94
f	Show cause notices from the Custom Authorities against duty on port related cargo. The Company has given deposit of INR 0.05 crore against the demand. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	0.14
g	Customs department notice for wrongly availing duty benefit exemption under DFCEC Scheme on import of equipment. The Company has filed its reply to the show cause notice with Deputy Commissioner of Customs, Mundra and Commissioner of Customs, Mumbai against order in original. The management is of view that no liability shall arise on the Company.	0.25
h	Various show cause notices received from Commissioner/ Additional Commissioner/ Joint Commissioner/ Deputy Commissioner of Customs and Central Excise, Rajkot and Commissioner of Service Tax, Ahmedabad and appeal there of, for wrongly availing of Cenvat credit/ Service tax credit and Education Cess credit on input services and steel, cement and other fixed assets during financial year 2006-07 to 2014-15. In similar matter, the Excise department has demanded recovery of the duty along with penalty and interest thereon. The Company has given deposit of INR 4.50 crore against the demand. These matters are pending before the Supreme Court, the High Court of Gujarat, Commissioner of Central Excise (Appeals), Rajkot and Commissioner of Service Tax, Ahmedabad. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company. Further, during the earlier year, the Company has received favourable order from High Court of Gujarat against demand in respect of dispute relating to financial year 2005-06 and favourable order from CESTAT against similar demand in respect of dispute relating to FY 2005-06 to FY 2010 -11 (up to Sept 2011).	36.49
i	Show cause notices received from Commissioner of Customs and Central Excise, Rajkot and appeal thereof in respect of levy of service tax on various services provided by the Company and wrong availment of CENVAT credit by the Company during financial year 2009-10 to 2011-12. These matters are currently pending at High Court of Gujarat INR 6.72 crore; and Customs, Excise and Service Tax Appellate Tribunal, Ahmedabad INR 0.15 crore and Commissioner of Service Tax Ahmedabad INR 0.03 crore. The Company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise on the Company.	6.90
j	Commissioner of Customs, Ahmedabad has demanded vide letter no.4/Comm./ SIIB/2009 dated 25/11/2009 for recovery of penalty in connection with import of Air Craft which is owned by Karnavati Aviation Private Limited (Formerly Gujarat Adani Aviation Private Limited), subsidiary of the Company. Company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the demand order, the management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognized in the books of accounts.	2.00
k	In terms of the Show Cause Notice issued to a subsidiary company by the Office of the Commissioner	18.33

Sr. No.	Particulars	As of March 31, 2019
	of Customs for a demand of INR 18.33 crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Bombardier Challenger CI-600 under Non-Scheduled Operation Permit (NSOP) has been raised on the Company	
l	In terms of the Show Cause cum Demand Notice issued to subsidiary company by the Office of the Commissioner of Customs Preventive Section dated 27/02/2009, a demand of INR 14.67 crore along with applicable interest and penalty thereon for the differential amount of Customs Duty in respect of import of Aircraft Hawker 850 XP under Non-Scheduled Operation Permit (NSOP) has been raised on the Company	14.53
m	Notice received from Superintendent / Commissioner of Service Tax Department and show cause from Directorate General of Central Excise Intelligence for wrong availing of Cenvat Credit /Service tax credit and Education Cess on input services steel and cement on some of the subsidiary companies. The management is of the view that no liability shall arise on the subsidiaries companies.	99.86
n	Show cause notice received from Directorate General of Central Excise Intelligence for Non-Payment of Service Tax on Domestic Journey and on certain Foreign Service on reverse charge mechanism amounting to INR 3.03 crore. The subsidiary company had filed appeal with Commissioner of Service Tax & received order for the same. The subsidiary company has filed an appeal before the Customs, Excise and Service Tax Appellate Tribunal against the order of Commissioner for confirmation of tax liability of INR 3.71 crore (including Penalty). The subsidiary company has taken an external opinion in the matter based on which the management is of the view that no liability shall arise. The subsidiary company has paid INR 0.35 crore under protest.	3.71
o	During the Current year, a subsidiary company has received an adjudication order from Additional Superintendent from Stamps, demanding stamp duty of INR 22.16 crore, under the provisions of the Gujarat Stamps Act, 1950 ('the Act'), payable on acquisition of Marine Business Undertaking pursuant to the scheme of arrangement approved by the National Company Law Tribunal (NCLT) in previous year. Against the said order the Company has filed Special Civil Application (SCA) and Letters Patent Appeal (LPA) with Gujarat High Court which is disposed of by the High Court during the year and subsequent to the year-end respectively on the grounds to prefer appeal with appropriate appellate authority under the provisions of the Act. After the balance sheet date, the Company has filed an appeal with the Chief Controlling Revenue Authority and deposited INR 5.54 crore under protest for filing an appeal. As per the management's estimate, on the basis of advise from the legal experts, the Company has provided INR 4.43 crore in the current year in accordance with the provisions of the act and also doesn't expect any additional demand.	17.73
p	The Company has received demand notice of INR 1.82 crore (including Penalty of INR 1.51 crore) from Government of Andhra Pradesh, Department of Mines and Geology for evasion of Seigniorage fee of INR 0.30 crore on utilization of Earth / Gravel in development of East Quay – 1 (EQ-1) in Vishakhapatnam Port Trust. The management is reasonably confident that no liability will devolve on the Company and hence no liability has been recognised in the books of accounts.	1.82
q	Revenue sharing on the storage income of subsidiary company as per concession arrangement for the Financial Year 2017-2018 & 2018- 2019.	46.01
r	Various matters of subsidiaries companies pending with Income Tax Authorities.	6.05

Sr. No.	Particulars	As of March 31, 2019
s	Statutory claims not acknowledged as debts.	0.46
t	The Company's tax assessments is completed till assessment year 2015-16, pending appeals with Appellate Tribunal for Assessment Year 2011-12 and CIT (Appeals) for Assessment Year 2012-13 to 2015-16. During the year, the Company has received a favourable order from Appellate Tribunal for assessment year 2009-10 and 2010-11. The management is reasonably confident that no liability will devolve on the Company.	
U	The Company had initiated and recorded the divestment of its entire equity holding in Adani Abbot Point Terminal Holdings Pty Limited ("AAPTHPL") and entire Redeemable Preference Shares holding in Mundra Port Pty Limited ("MPPL") representing Australia Abbot Point Port operations to Abbot Point Port Holdings Pte Limited, Singapore during the year ended March 31, 2013. The sale of securities transaction was recorded as per Share Purchase Agreement ('SPA') entered on March 30, 2013 including subsequent amendments thereto, with a condition to have regulatory and lenders approvals. The Company has all the approvals except in respect of approval from one of the lenders who has given specific line of credit to MPPL. The Company received entire sale consideration except AUD 17.17 Million as on reporting date. The Company expects to receive the said amount in next year. The Company had an outstanding corporate guarantee to a lender of USD 800 million against line of credit to MPPL, which was repaid in full during the year hence the same guarantee is not effective as on reporting date. The Company had also pledged its entire equity holding of 1,000 equity shares of AUD 1 each in MPPL in favour of lender which are in the process of getting released at the reporting date. Outstanding loan against said corporate guarantee as on March 31, 2019 is Nil. Since financial year 2013-14, the Company has received corporate guarantee ('Deed of Indemnity') against above outstanding corporate guarantee from Abbot Point Port Holding Pte Limited, Singapore which is effective till discharge of underlying liability and as at reporting date is no longer effective.	
V	There has been a Supreme Court (SC) judgement dated 28 th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. The Group will continue to assess any further developments in this matter for the implications on financial statements, if any.	

3.2.15 The PAC has received a certificate dated May 27, 2019 from Mr. Ashwin Shah, Practising Company Secretary, wherein it has been confirmed that the PAC has complied with the conditions of corporate governance stipulated in the SEBI (LODR) Regulations, as applicable for the year ended March 31, 2019, other than for one independent director, which was required to be appointed during the quarter ended March 31, 2019 to make composition of the Board of Directors in conformity with SEBI (LODR) Regulations. The independent director was subsequently appointed on April 22, 2019. Further, the PAC has submitted the quarterly compliance report (in the format prescribed as per SEBI circular CIR/CFD/CMD/5/2015 dated September 24, 2015) on corporate governance wherein it has confirmed compliance, as of September 30, 2019, with corporate governance norms relating to the composition of board of directors and various committees and that meetings of the board of directors and the relevant committees have been conducted in the manner specified in SEBI (LODR) Regulations. Further, vide a letter dated January 9, 2020, the PAC has stated that the confirmations provided in the quarterly compliance report continue to be valid as of January 9, 2020.

3.2.16 Name and details of the compliance officer of the PAC: Mr. Kamlesh Bhagia; Email ID: Kamlesh.Bhagia@adani.com;

3.3 GATEWAY DISTRI PARKS LIMITED (“Seller”)

3.3.1 The details of GDL have been set out below:

Name of the Seller	Changes in the in the past	Nature of the Entity/ Individual	Registered Office	Part of the Promoter Group of the Target Company	Name of the Group	Name of the Stock Exchange in India or Abroad, where listed (if applicable)	Shares or voting rights held in the Target Company before entering into an agreement with the Acquirer	Percentage held in the Target Company
Gateway Distriparks Limited	NA	Public Limited Company	Sector-6, Dronagiri, Taluka-Uran, Raigad-District, Navi Mumbai – 400707, India	Yes	Not applicable	NSE and BSE	6,72,54,119	40.25%

3.3.2 GDL has not been prohibited by SEBI from dealing in securities under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.3.3 Upon completion of the transactions contemplated in the SPA, GDL will not hold any Equity Shares or other interest in the Target Company. Further, GDL shall cease to be the promoter of the Target Company and shall relinquish the management control of the Target Company in favour of the Acquirer. The Acquirer will acquire control of the Target Company, and be classified as new promoters in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations.

4. BACKGROUND OF SNOWMAN LOGISTICS LIMITED (“Target Company”)

4.1 The Target Company is a public limited company bearing corporate identification number L15122MH1993PLC285633. The Target Company was incorporated on March 17, 1993 as Snowman Frozen Foods Limited. It changed its name to Snowman Logistics Limited on March 17, 2011 pursuant to a fresh certificate of incorporation issued by the Registrar of Companies at Bangalore, Karnataka.

4.2 The registered office of the Target Company is at Plot No. M-8, Taloja Industrial Area, MIDC, Raigad, Navi Mumbai, Maharashtra, 410 206. The contact details of the Target Company are: Tel: +91-9821383250 and e-mail id: investorrelations@snowman.in.

4.3 The Target Company is in the business of providing integrated temperature controlled logistics including, but not limited to warehousing, distribution and value added services.

4.4 As on the date of DLOF, the total authorized share capital of the Target Company is INR 200,00,00,000 comprising of 20,00,00,000 Equity Shares of face value of INR 10. The issued, subscribed and paid-up share capital of the Target Company is INR 167,08,79,950 consisting of 16,70,87,995 Equity Shares of face value of INR 10 as on date of this DLOF.

4.5 The share capital structure of the Target Company is as follows:

Paid-up Equity Shares of Target Company	No. of Shares	% of shares or voting rights
Fully paid-up Equity Shares	16,70,87,995	100.00
Partly paid-up Equity Shares	-	-
Total paid-up Equity Shares	16,70,87,995	100.00
Total voting rights in Target Company	16,70,87,995	100.00

4.6 The Equity Shares of the Target Company are listed on BSE (Security ID: SNOWMAN; Scrip Code: 538635) and NSE (Symbol: SNOWMAN). The ISIN of the Equity Shares of the Target Company is INE734N01019.

4.7 The Equity Shares are frequently traded on the Stock Exchanges in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

4.8 There has been no suspension of trading of the Equity Shares on BSE and NSE.

4.9 There are no Equity Shares of the Target Company that are not listed on BSE and NSE.

4.10 As of the date of this DLOF, there are no (i) partly paid-up Equity Shares; and (ii) outstanding convertible instruments (warrants / fully convertible debentures / partly convertible debentures / employee stock options) issued by the Target Company.

4.11 As of the date of the DLOF, the Board of Directors of the Target Company comprises of the following directors:

S. No	Name of the Director	Designation	DIN	Date of Appointment
1	Prem Kishan Dass Gupta	Chairman	00011670	22/11/2006
2	Mamta Gupta	Non-Executive Director	00160916	05/11/2015
3	Shabbir Hakimuddin Hassanbhai	Independent Director	00268133	22/11/2006
4	Anil Aggarwal	Independent Director	01385684	29/10/2018
5	Sunil Prabhakaran Nair	CEO & Whole-Time Director	03454719	01/12/2016
6	Bhaskar Avula Reddy	Independent Director	06554896	26/04/2016
7	Arun Kumar Gupta	Independent Director	06571270	26/04/2016
8	Mamoru Yokoo	Non-Executive Director	08141823	01/03/2019

4.12 The Target Company was not involved in any merger/demerger/spin offs during the last 3 years.

4.13 The unaudited limited reviewed key financial information as at and for the period ended September 30, 2019, as extracted from the limited review report, and audited key financial information as at and for the periods ended March 31, 2019, March 31, 2018 and March 31, 2017, as extracted from the audited financial statements, are as follows:

(INR in Crore, unless otherwise stated)

Particulars	Six months ended September 30, 2019 (Standalone) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Standalone) (Audited)	Financial year ended March 31, 2018 (Standalone) (Audited)	Financial year ended March 31, 2017 (Standalone) (Audited)
Profit & Loss Statement				
Income from operations	120.46	232.55	194.28	189.24
Other Income	1.89	3.25	3.85	0.79
Total Income	122.35	235.80	198.13	190.03
Total Expenditure (excluding Depreciation, Interest Expenses and Taxes)	(89.12)	(173.56)	(149.82)	(152.87)
Profit Before Depreciation, Interest and Taxes	33.23	62.24	48.31	37.16
Depreciation	(24.77)	(41.10)	(40.01)	(38.58)
Finance costs	(10.15)	(10.28)	(11.86)	(11.41)
Profit/ (loss) Before Tax and exceptional items	(1.69)	10.86	(3.56)	(12.83)
Exceptional items	0.00	0.00	0.00	(2.66)
Tax expense	(8.70)	(1.14)	0.00	10.56
Profit/ (loss) after tax	(10.39)	9.72	(3.56)	(4.93)
Other comprehensive income/ (loss)	0.14	0.05	0.17	0.12
Total comprehensive income/ (loss)	(10.25)	9.76	(3.39)	(4.81)
Balance Sheet				
Sources of Funds				
Paid-up share capital	167.09	167.09	167.09	167.09
Other equity (excluding revaluation reserve)	257.71	267.95	258.19	261.58
Net Worth	424.79	435.04	425.28	428.67
Secured Loans (Non-current)	41.97	55.05	87.65	109.49
Unsecured Loans (Non-current)	0.00	0.00	0.00	0.00
Other non-current liabilities	137.48	9.26	10.62	11.01
Total	604.24	499.35	523.55	549.17
Uses of Funds				
Net Fixed Assets	395.27	413.52	444.91	452.48
Investments	0.00	0.00	1.03	0.17
Other non-current assets	209.63	89.06	84.55	84.69

Particulars	Six months ended September 30, 2019 (Standalone) (Unaudited financial statements subjected to limited review by auditors)	Financial year ended March 31, 2019 (Standalone) (Audited)	Financial year ended March 31, 2018 (Standalone) (Audited)	Financial year ended March 31, 2017 (Standalone) (Audited)
Net Current Assets	(0.66)	(3.22)	(6.95)	11.83
Total miscellaneous expenditure not written off	0.00	0.00	0.00	0.00
Total	604.24	499.35	523.55	549.17
Other Financial Data				
Dividend (%)	-	-	-	-
Earnings Per Share (basic and diluted) (in INR)	(0.62) ⁽¹⁾	0.58	(0.21)	(0.30)
Return on Net Worth ⁽²⁾	(2.45%) ⁽¹⁾	2.23%	(0.84%)	(1.15%)
Book value per share (in INR) ⁽³⁾	25.42	26.04	25.45	25.66

Notes:

1. Not annualized
2. Return on Net Worth is calculated as Profit/(loss) after tax divided by Net Worth
3. Book value per share has been calculated as Net Worth divided by total outstanding shares for the relevant period

4.14 Pre and post- offer shareholding pattern of the Target Company as on the date of this DLOF:

Shareholders' category	Shareholding and voting rights prior to the SPA and Offer ⁽³⁾		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/voting rights to be acquired in this Offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and this offer.	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	% ⁽¹⁾	No.	% ⁽¹⁾	No.	% ⁽¹⁾	No.	% ⁽¹⁾
(1) Promoter group								
a. Parties to the agreement, if any	6,72,54,119	40.25	(6,72,54,119)	(40.25)	-	-	-	-
b. Promoters other than (a) above	-	-	-	-	-	-	-	-
Total 1(a+b)	6,72,54,119	40.25	(6,72,54,119)	(40.25)	-	-	-	-
(2) Acquirer⁽²⁾								
a. Acquirer	-	-	6,72,54,119	40.25	4,34,42,879	26.00	11,06,96,998	66.25
b. PAC	-	-	-	-	-	-	-	-
Total 2 (a+b)	-	-	6,72,54,119	40.25	4,34,42,879	26.00	11,06,96,998	66.25
Total Promoter group (1+2)	6,72,54,119	40.25					11,06,96,998	66.25

Shareholders' category	Shareholding and voting rights prior to the SPA and Offer ⁽³⁾		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/voting rights to be acquired in this Offer (Assuming full acceptances)		Shareholding/voting rights after the acquisition and this offer.	
(3) Parties to the SPA other than (1)(a) and (2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer and PAC)								
a. FIs/MFs/FII/ FPI Banks, SFIs (Indicate Names)	3,30,88,290	19.80			(4,34,42,879)	(26.00)	5,63,90,997	33.75
b. Other Public	66,745,586	39.95						
Total (4) (a+b)⁽⁴⁾	9,98,33,876	59.75			(4,34,42,879)	(26.00)	5,63,90,997	33.75
Grand Total (1+2+3+4)	16,70,87,995	100.00					16,70,87,995	100.00

Notes:

1. Calculated on the basis of the Voting Share Capital of the Target Company.
2. The Acquirer did not hold any Equity Shares in the Target Company prior to the date of the SPA.
3. As of January 3, 2020.
4. The number of shareholders of the Target Company in the "public category" as on January 3, 2020 is 69,645.

4.15 The Acquirer and the PAC have not acquired any Equity Shares after the date of the PA till the date of the DLOF.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares of the Target Company are listed and traded on the Stock Exchanges.

5.1.2 The traded turnover of the Equity Shares on the Stock Exchanges during the period December 01, 2018 to November 30, 2019 ("**Twelve Month Period**"), viz. twelve calendar months preceding the calendar month in which the PA has been made is set out below:

Stock Exchange	Traded turnover of equity shares of the Target Company during the Twelve Month Period ("A") (No. of equity shares)	Total number of listed equity shares of the Target Company during the Twelve Month Period ("B")	Traded Turnover % (A/B)
BSE	97,96,606	16,70,87,995	5.86%
NSE	6,57,12,450	16,70,87,995	39.33%

Source: Based on the certificate dated December 27, 2019 issued by Dharmesh Parikh & Co. Chartered Accountants

5.1.3 Therefore, in terms of Regulation 2(1) (j) of the SEBI (SAST) Regulations, the Equity Shares are frequently traded.

5.1.4 The Offer Price of INR 44.00 per OfferShare is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations on the basis of the following:

S. No.	Particulars	Price (INR per Offer Share)
A.	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e. the price per Equity Share under the SPA	44.00
B.	The volume-weighted average price paid or payable for acquisitions, by the Acquirer or the PAC, during the fifty two weeks immediately preceding the date of the Public Announcement	Not Applicable
C.	The highest price paid or payable for any acquisition, by the Acquirer or the PAC, during the twenty six weeks immediately preceding the date of the Public Announcement	Not Applicable
D.	The volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the Public Announcement as traded on NSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded	39.25
E.	Where the shares are not frequently traded, the price determined by the Acquirer and the Managers to the Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and	Not Applicable
F.	The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not applicable *

Source: Based on the certificate dated December 27, 2019 issued by Dharmesh Parikh & Co. Chartered Accountants.

** Not applicable since this is not an indirect acquisition.*

5.1.5 Since the date of the Public Announcement and as on the date of this DLOF, 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.

5.1.6 As on the date of this DLOF, there is no revision in the Offer Price or the Offer Size. The Offer Price and/or Offer Size is subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last 1 Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) and 18(5) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall make corresponding increases to the escrow amount shall: (i) make a public announcement in the same newspapers in which the DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office, of such revision.

5.1.7 If the Acquirer or PAC acquire Equity Shares during the period of twenty six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer or PAC shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity

Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.

5.2 Financial Arrangements

- 5.2.1 The total consideration for this Open Offer is upto INR 191,14,86,676, assuming full acceptance of this Offer (i.e. the Maximum Offer Consideration).
- 5.2.2 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer/PAC is required to create an escrow for an amount equal to 25% of the Maximum Offer Consideration, and, in the event of the escrow account being created is by way of a bank guarantee, then atleast 1% of the Maximum Offer Consideration should be deposited in cash with a scheduled commercial bank.
- 5.2.3 In this regard, the PAC has furnished an unconditional, irrevocable, and on demand bank guarantee dated December 31, 2019 from IndusInd Bank Limited (having its registered office at 2401, General Thimmayya Road, Cantonment, Pune – 411 001, India and acting through its branch at World Business House, M.G. Road, Nr. Parimal Garden, Ellis Bridge, Ahmedabad 380 006) having bank guarantee number OGT0009190039525 of an amount of INR 48 crore, which is in excess of the requirements specified under Regulation 17 of the SEBI (SAST) Regulations, in favor of the Manager to the Offer (“**Bank Guarantee**”). The Bank Guarantee is valid up to July 31, 2020. The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations. The PAC has undertaken to extend the validity of the Bank Guarantee or make other arrangements for such period as may be required, in accordance with the SEBI (SAST) Regulations, such that the Bank Guarantee shall be valid for atleast thirty days after completion of payment of consideration to shareholders who have validly tendered their shares in acceptance of the Open Offer. The bank issuing the Bank Guarantee is neither an associate company nor a group company of the Acquirer, PAC or the Target Company.
- 5.2.4 Furthermore, the Acquirer, PAC and the Manager to the Offer inter alia have entered into an escrow agreement with HDFC Bank Limited (“**Escrow Agent**”), acting through its office at Mumbai branch at Fort, Mumbai 400 001, dated December 30, 2019 (“**Escrow Agreement**”). Pursuant to the Escrow Agreement, the Acquirer has established an escrow account under the name and style of “SNOWMAN OPEN OFFER ESCROW A/C” (“**Escrow Account**”), and the PAC has made a cash deposit of INR 2 crore (being 1% of the total consideration payable under the Offer assuming full acceptance) (“**Cash Escrow**”). The Manager has been duly authorized to operate the Escrow Account in terms of the SEBI (SAST) Regulations. The cash deposit has been confirmed by way of a confirmation letter dated December 31, 2019 issued by the Escrow Agent.
- 5.2.5 The Manager to the Offer have been fully authorised and empowered by the Acquirer and PAC to operate and realise the Escrow Amount lying to the credit of the Escrow Account in accordance with the SEBI (SAST) Regulations.
- 5.2.6 The PAC vide its board resolution and finance committee resolution, both dated December 27, 2019, has resolved to provide financial assistance/ support as maybe required by the Acquirer for meeting its obligations for the Underlying Transaction and the Open Offer. After considering the aforementioned as well as the cash & cash equivalents, and liquid securities available with PAC, Dharmesh Parikh & Co. Chartered Accountants having their

office at 313/304, “Milestone”, Nr. Drive-in-Cinema, Opp. T.V. Twer, Thaltej, Ahmedabad – 380 054, Tel: +91-79-27474466, Fax: +91-79- (Mr. Kanti Gothi, Partner, Membership Number: 127664), vide a certificate dated December 27, 2019, have certified that the Acquirer has adequate financial resources for fulfilling their obligations under the Underlying Transaction and the Open Offer.

- 5.2.7 Based on the above, the Manager to the Offer is satisfied, (i) about the adequacy of resources to meet the financial requirements of the Offer and the ability of the Acquirer along with PAC to implement the Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for payment through verifiable means are in place to fulfill the Offer obligations.
- 5.2.8 In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

- 6.1** This Offer is being made by the Acquirer and the PAC to: (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on February 4, 2020 i.e. the Identified Date; (ii) 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 February 4, 2020 i.e. the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the Closure of the Tendering Period for this Offer but who are not the registered Public Shareholders.
- 6.2** The Acquirer and the PAC are making this Offer to all Public Shareholders to acquire up to 4,34,42,879 Equity Shares, constituting 26.00% of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, DPS and this DLOF.
- 6.3** Pursuant to the terms and conditions of the SPA, it is hereby clarified that the Acquirer reserves the right to complete the Underlying Transaction at any time after the expiry of 21 Working Days from the date of the DPS, subject to the provisions of Regulation 22 of the SEBI (SAST) Regulations.
- 6.4** This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 6.5** Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Offer prior to the date of closure of the Tendering Period.
- 6.6** The Acquirer and the PAC will acquire the Equity Shares which are free from all liens, charges, equitable interests and encumbrances. The Acquirer shall acquire the Equity Shares of the Eligible Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses

and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary approvals and consents for it to sell the Equity Shares on the foregoing basis.

- 6.7** Accidental omission to dispatch the Letter of Offer to any Public Shareholder to whom this Offer has been made or non-receipt of the Letter of Offer by any such Public Shareholder shall not invalidate this Offer in any way.
- 6.8** The Target Company does not have any Equity Shares which are currently locked-in.
- 6.9** The Letter of Offer shall be sent to the Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date. The Identified Date for this Offer as per the tentative schedule of activities is February 4, 2020.
- 6.10** All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to Paragraph 6.20 below) to participate in this Offer.
- 6.11** The Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-*cum*-Acknowledgment will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-*cum*-Acknowledgment from SEBI's website.
- 6.12** The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 6.13** In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 6.14** The Acquirer reserves the right to revise the Offer Price upwards prior to the commencement of the last 1 Working Day prior to the commencement of the Tendering Period, i.e. up to February 14, 2020, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the Detailed Public Statement was published. 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 Detailed Public Statement and this DLOF.
- 6.15** The acceptance of this Offer is entirely at the discretion of the Public Shareholders of the Target Company.
- 6.16** By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer or the Seller for the purpose of this Offer.
- 6.17** None of the Acquirer, the PAC, the Manager to the Offer or the Registrar to the Offer accept any responsibility for any loss of documents during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

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

6.19 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

6.20 Statutory and other approvals:

To the best of the knowledge of the Acquirer and the PAC, there are no statutory approval(s) required by the Acquirer and the PAC to complete the transactions contemplated under the SPA and this Offer. However, in case of any further statutory approval(s) being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer. Provided that where the statutory approval(s) extend to some but not all holders of the Equity Shares, the Acquirer shall have the option to make payment to such holders of the Equity Shares in respect of whom no statutory approval(s) are required in order to complete this Offer.

6.20.1 The Acquirer will have the right to withdraw this Offer in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, in the event the statutory approvals which may be required relating to the SPA or this Offer or which become applicable prior to completion of the Offer, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirer. In the event of withdrawal of this Offer, a public announcement will be made within 2 Working Days of such withdrawal, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

6.20.2 NRI and OCB holders of the Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them in this Offer (including but not limited to, the approval from the RBI, since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity), and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory body) at the time of the original investment, in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered pursuant to this Offer. If the Equity Shares are held under the general permission of the RBI, the non-resident Shareholders should state that the Equity Shares are held under such general permission and whether such Equity Shares are held on a repatriable basis or a non repatriable basis.

- 6.20.3 Subject to the receipt of the statutory and other approvals, if any, the Acquirer and the PAC shall complete all procedures relating to the Open Offer, including payment of consideration within 10 Working Days from the closure of the tendering period to those shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer and the PAC.
- 6.20.4 By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Acquirer the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Acquirer for such regulatory filings, if required by the Acquirer.
- 6.20.5 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

7. **PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

- 7.1 The Offer will be implemented by the Acquirer and/ or the PAC through the stock exchange mechanism made available by the Stock Exchanges in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time, and notices / guidelines issued by Stock Exchanges and the Clearing Corporation in relation to the mechanism / process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time (“**Acquisition Window Circulars**”).
- 7.2 BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).
- 7.3 The Letter of Offer with the Form of Acceptance-*cum*-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date
- 7.4 The Public Announcement, DPS, the Letter of Offer and the Form of Acceptance-*cum*-Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-*cum*-Acknowledgement from SEBI’s website for applying in the Offer.
- 7.5 All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchanges during the Tendering Period. The Buying Broker may also act as Selling Broker for Public Shareholders.

7.6 The Acquirer has appointed JM Financial Services Limited (“**Buying Broker**”) as its broker for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer will be made. The contact details of the Buying Broker are as mentioned below:

JM Financial Services Limited

5th floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400025, India.

Tel: +91 22 6630 3030, Fax: +91 22 6630 3330

Contact Person: Ms. Prachee Dhuri

7.7 The Acquisition Window will be provided by both NSE and BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialized form.

7.8 Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with BSE or NSE if the Shareholder does not have any stock broker then that Shareholder can approach any BSE or NSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that BSE or NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE or NSE registered stock broker then the Public Shareholder may approach Company's Broker viz. JM Financial Services Limited, to bid by using quick UCC facility. The Public Shareholder approaching BSE or NSE registered stock broker (with whom he does not have an account) may have to submit following details:

7.8.1 In case of Shareholder being an individual:

- (a) If Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:
 - i. Central Know Your Client (CKYC) form including including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
 - ii. Know Your Client (KYC) form Documents required (all documents self-attested):
Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)

- (b) If Shareholder is not registered with KRA: Forms required:
 - i. CKYC form including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. KYC form Documents required (all documents self-attested):
PAN card copy
Address proof
Bank details (cancelled cheque)
 - iv. 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.

7.8.2 **In case of Shareholder is HUF:**

- (a) **If Shareholder is registered with KRA: Forms required:**
- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
 - ii. KYC form documents required (all documents self-attested):
Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)
- (b) **If Shareholder is not registered with KRA: Forms required:**
- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. 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)
 - iv. 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.

7.8.3 **In case of Shareholder other than Individual and HUF:**

- (a) **If Shareholder is KRA registered: Form required**
- i. Know Your Client (KYC) form Documents required (all documents certified true copy)
Bank details (cancelled cheque)
 - ii. Demat details (Demat master /Latest Demat statement)
 - iii. FATCA, IPV, OSV if applicable
 - iv. Latest list of directors/authorised signatories/partners/trustees
 - v. Latest shareholding pattern
 - vi. Board resolution
 - vii. Details of ultimate beneficial owner along with PAN card and address proof
 - viii. Last 2 years financial statements
- (b) **If Shareholder is not KRA registered: Forms required:**
- i. KRA form
 - ii. Know Your Client (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)
 - iii. Demat details (Demat Master /Latest Demat statement)
 - iv. FATCA, IPV, OSV if applicable
 - v. Latest list of directors/authorised signatories /partners/trustees

- vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
- vii. Latest shareholding pattern
- viii. Board resolution/partnership declaration
- ix. Details of ultimate beneficial owner along with PAN card and address proof
- x. Last 2 years financial statements
- xi. MOA/Partnership deed /trust deed

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

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

7.9 Procedure For Tendering Shares Held In Dematerialized Form

- 7.9.1 The Public Shareholders who are holding Equity Shares in electronic/ dematerialised form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares that such Public Shareholder intends to tender in this Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 7.9.2 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the order/bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 7.9.3 Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 7.9.4 On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer.
- 7.9.5 Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 7.9.6 For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 7.9.7 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

7.9.8 The Public Shareholders will have to ensure that they keep their 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 Offer.

7.9.9 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) and NSE (www.nseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

7.10 Public Shareholders Who Are Holding Equity Shares In Physical Form

7.10.1 As per the provisions of Regulation 40(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI PR 51/2018 dated December 3, 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository w.e.f. April 1, 2019

7.10.2 Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Offer can do so only after the Equity Shares are dematerialised. Such Public Shareholders are advised to approach any depository participant to have their equity shares dematerialised.

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

7.11.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

7.11.2 Public Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment.

7.11.3 The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement, will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date.

7.11.4 In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

7.11.5 Alternatively, in case of non-receipt of the Letter of Offer, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered and other relevant documents as mentioned. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by the Designated Stock Exchange before the closure of the Tendering Period.

7.12 Acceptance of Shares

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

7.13 Settlement Process

7.13.1 On the closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer, and the final list of accepted Equity Shares shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.

7.13.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.

7.13.3 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to its demat account. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/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.

7.13.4 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.

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

7.13.6 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.

7.13.7 The direct credit of Equity Shares shall be given to the demat account of Acquirer as indicated by the Buying Broker.

7.13.8 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.

7.13.9 In case of partial or non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.

- 7.13.10 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 7.13.11 If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 7.13.12 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 7.13.13 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

7.14 Note on taxation/ Compliance with tax requirements

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

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

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY

THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

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

7.14.1 General:

- a) The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act. 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) as also income received by such persons in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- b) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act.
- c) Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.
- d) The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- e) The summary of income-tax implications on tendering of listed equity shares on recognised stock exchanges in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

7.14.2 **Classification of Shareholders:** Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
 - i. Individuals, Hindu Undivided Family (HUF), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 - ii. Others

- b) Non-Resident Shareholders being:
 - i. Non-Resident Indians (NRIs)
 - ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - iii. Others:
 - Company
 - Other than company

7.14.3 **Classification of Income:** Shares can be classified under the following two categories

- a) Shares held as investment (Income from transfer taxable under the head “**Capital Gains**”)

- b) Shares held as stock-in-trade (Income from transfer taxable under the head “**Profits and Gains from Business or Profession**”)

Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

7.14.4 **Shares held as investment:** As per the provisions of the Income Tax Act, where the shares are held as investments (i.e. capital asset), **income** arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital Gains in the hands of shareholders will be computed as per provisions of Section 48 of the Income Tax Act.

7.14.5 **Period of holding:** Depending on the period for which the shares are held, the gains will be taxable as “short-term capital gain” or “long-term capital gain”:

- a) In respect of equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).

- b) Similarly, where equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

7.14.6 **Tendering of Shares in the Offer through a Recognized Stock Exchange in India:** Where a transaction for transfer of such equity shares (i.e. acceptance under an open offer) is transacted through recognised stock exchanges and is chargeable to Securities Transaction Tax (“STT”), then the taxability will be as under (for all categories of shareholders):

- a) The Finance Act, 2018 has withdrawn the exemption under section 10(38) for LTCG arising from transfer of equity shares on or after 1 April 2018. Section 112A of the Income Tax Act provides for taxation of income arising from the transfer of such shares, which is explained in the following paragraphs.
- b) The gain accrued on such equity shares till 31 January 2018 has been exempted by providing that for the purpose of computing LTCG the cost of shares acquired before 1 February 2018 shall be the higher of the following:
 - i. Actual cost of acquisition; or
 - ii. Lower of: (A) fair market value, and (B) full value of consideration received or accruing as a result of the transfer of the shares. Fair market value has been defined to mean the highest price of the equity share quoted on any recognized stock exchange on 31 January 2018.
- c) After taking into account the exemption provided above, LTCG arising from transfer of equity shares, exceeding Rs.100,000, will be taxable at 10% without allowing the benefit of indexation.
- d) However, section 112A of the Income Tax Act shall not apply if such equity shares were acquired on or after 1 October 2004 and securities transaction tax (‘STT under Chapter VII of the Finance (No. 2) Act, 2004’) was not paid. In this regard, the Central Government has issued a notification no. 60/2018/F. No. 370142/9/2017-TPL dated 1st October, 2018, providing certain situations wherein section 112A of the Income Tax Act will continue to be applicable even if STT is not paid at the time of acquisition of equity shares. The notification provides for the following situations:
 - i. Where acquisition of existing listed equity share in a company, whose equity shares are not frequently traded on recognised stock exchanges of India, was made through a preferential issue, subject to certain exceptions;
 - ii. Where transaction for acquisition of existing listed equity share in a company was not entered through recognised stock exchanges of India, subject to certain exceptions;
 - iii. Acquisition of equity share of a company during the period beginning from the date on which the company was delisted from recognised stock exchanges and ending on the date on which the company was again listed on recognised stock exchanges in accordance with the Securities Contracts (Regulation) Act, 1956 read with the SEBI Act and any rules made thereunder.

The notification *inter alia* provides certain exceptions to the above situations where the provisions of Section 112A will not apply.

- e) Where provisions of section 112A are not applicable, LTCG will be chargeable to tax at 20%. However, for a resident shareholder, an option is available to pay tax on such LTCG under section 112 at either 20% with indexation or 10% without indexation.
- f) STCG arising from such transaction will be subject to tax @ 15% under Section 111A of the Income Tax Act.
- g) Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is required to be considered while computing tax on such LTCG or STCG taxable under Section 112, 112A or 111A of the Income Tax Act. In addition to the above LTCG or STCG tax, applicable Surcharge, Health and Education Cess are leviable (Please refer to Paragraph 7.14.9 for rate of surcharge and cess).
- h) Minimum alternate tax (“MAT”) implications will get triggered in the hands of a resident corporate shareholder. Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA.
- i) Non-resident shareholders can avail beneficial provisions of the applicable DTAA entered into by India subject to fulfilling of the relevant conditions and the documentary compliance prescribed under the Income Tax Act.

7.14.7 Shares held as Stock-in-Trade: If the shares are held as stock-in-trade by any of the eligible Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”.

a) Resident Shareholders:

Profits of:

(A) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

(B) Domestic companies having total turnover or gross receipts during the previous year 2017-18 not exceeding Rs. 400 crore will be taxable @ 25% from AY 2020-21.

(C) For persons other than stated in (A) and (B) above, profits will be taxable @ 30%.

No benefit of indexation by virtue of period of holding will be available in any case.

b) Non Resident Shareholders

(A) Non-resident Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the Income Tax Act.

(B) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits will be taxable at slab rates
- For foreign companies, profits will be taxed in India @ 40%
- For other non-resident Shareholders, such as foreign firms, profits will be taxed in India @ 30%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non Resident Shareholders.

7.14.8 Tax Deduction at Source

(a) In case of Resident Shareholders

In absence of any specific provision under the Income Tax Act, the Acquirer is not required to deduct tax on the consideration payable to resident Shareholders pursuant to the said offer.

(b) In case of Non-resident Shareholders

- (i) In case of FIIs: Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs.
- (ii) In case of other non-resident Shareholders (other than FIIs) holding Equity Shares of the Target Company: Section 195(1) of the Income Tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income Tax Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

Since the Offer is through the stock exchange, the responsibility of discharging the tax due on the gains (if any) is primarily on the non-resident Shareholder. The non-resident Shareholder must compute such gains (if any) on this transaction and immediately pay applicable taxes in India, if applicable, in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident Shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

The non-resident Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Shareholders pursuant to this Offer. The non-resident Shareholders also undertake to provide the Acquirer, on demand, the relevant

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

7.14.9 Rate of Surcharge and Cess

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

(a) Surcharge

- (i) In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- (ii) In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs.1 crore but less than Rs. 10 crore.
- (iii) In case of individuals, HUF, AOP, BOI: Surcharge @10% is leviable where the total income exceeds Rs. 50 lacs but less than Rs.1 crore, @15% where the total income exceeds Rs.1 crore but less than Rs. 2crore, @25% where the total income exceeds Rs. 2 crore but less than Rs. 5 crore and @37% where the total income exceeds Rs. 5 crore.
- (iv) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

(b) Cess

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

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

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the office of Manager to the Offer at JM Financial Limited, Sood Towers (East Tower), 6th Floor, Barakhamba Road, Connaught Place, New Delhi 110 001, India on all Working Days (i.e., Monday to Friday) between 10:30 A.M. to 5:00 P.M. during the Tendering Period:

- 8.1 Copies of the memorandum and articles of association and certificate of incorporation of the Acquirer and PAC;
- 8.2 Certificate dated December 27, 2019 from Dharmesh Parikh & Co. Chartered Accountants, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;
- 8.3 Certificate dated December 27, 2019 from Dharmesh Parikh & Co. Chartered Accountants, certifying the Offer Price computation;
- 8.4 Copies of annual reports of the Target Company for the financial years ending March 31, 2019, March 31, 2018 and March 31, 2017 and limited reviewed 6 month financial results for the period September 30, 2019;
- 8.5 Copies of audited financial statements for period ended March 31, 2019, March 31, 2018, March 31, 2017 and limited reviewed 6 month financial results for the period ending September 30, 2019 of the Acquirer;
- 8.6 Copies of annual reports for period ended March 31, 2019, March 31, 2018, March 31, 2017 and limited reviewed 6 month financial results for the period ending September 30, 2019 of the PAC;
- 8.7 Copy of the Escrow Agreement dated December 31, 2019 entered into by and among the Acquirer, PAC, Escrow Agent and Manager to the Offer;
- 8.8 Copy of the SPA dated December 27, 2019;
- 8.9 A letter from the Escrow Agent confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;
- 8.10 The Bank Guarantee dated December 31, 2019 for INR 48 crore issued by IndusInd Bank in favour of the Manager to the Offer;
- 8.11 Copy of PA dated December 27, 2019, published copy of the Detailed Public Statement dated January 2, 2020 and issue opening public announcement dated [●];
- 8.12 Copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors published in the newspapers in [●];
- 8.13 Copy of the observation letter no. [●] from SEBI dated [●] on the DLOF; and
- 8.14 Copy of the agreement dated [●] entered into with [●] for the purpose of opening a special depository account for the purpose of the Offer.

9. DECLARATION BY THE ACQUIRER AND PAC

- 9.1 For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer and PAC have relied on the information provided by the Target Company and the Seller or as available in the public domain

and have not independently verified the accuracy of details of the Target Company or the Seller. Subject to the aforesaid, the Acquirer, PAC and their respective directors, severally and jointly, accept full responsibility for the information contained the Public Announcement, Detailed Public Statement and in this Draft Letter of Offer in relation to them and the Offer (other than such information as has been obtained from public sources or provided or confirmed by the Target Company and the Seller).

9.2 The Acquirer, PAC and their respective directors, severally and jointly accept full responsibility for the information contained in this DLOF in relation to them and the Offer and also for the obligations for the Acquirer and PAC as laid down in the SEBI (SAST) Regulations. The Acquirer and PAC would be severally and jointly responsible to ensure compliance with the SEBI (SAST) Regulations.

9.3 The persons signing this DLOF have been duly and legally authorized by the Acquirer and PAC to sign the DLOF.

For and on behalf of the Acquirer and PAC

Adani Logistics Limited (Acquirer)

Adani Ports and Special Economic Zone Limited (PAC)

Place: Mumbai

Date: January 10, 2020