

CLASSIC FILAMENTS LIMITED

CIN L17114GJ1990PLC013667

Regd Office : Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat-395006.
Tel :0261-2540570 email: classicfilaments@ymail.com, Website: www.classicfilamentsltd.com

Date: 21/09/2023

To,
The Manager,
Dept of Corporate Services
BSE Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai -400 001

Dear Sir,

Ref: Stock Code – 540310

Subject: Intimation of Draft Letter of Offer (DLoF) pursuant to Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011

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Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in continuation to our intimation dated September 06, 2023 pertaining to Public Announcement for the Open Offer vide Acknowledgement No.: 6119096 and Detailed Public Statement dated 13th September, 2023 vide Acknowledgement No.: 6150740, we wish to inform you that the Company has received Draft Letter of Offer (DLoF) pertaining to Open Offer under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 on 20th September, 2023 through Manager to the Open Offer **M/s Fedex Securities Private Limited** on behalf of the Acquirers for the acquisition of shares from the public shareholders of **Classic Filaments Limited ('the Target Company')**.

The Draft Letter of Offer (DLoF) pursuant to the Open Offer is enclosed herewith.

Please take the same on your records.

Thanking you,

Yours faithfully,

For CLASSIC FILAMENTS LIMITED

Ankita P. Shroff

Company Secretary & Compliance Officer

Membership No.: A36425

**Address: Plot No. 1, Priyanka House, Umiyadham Road, Varachha,
Surat-395006**

Encl: As Above



**To,
The Board of Directors,
CLASSIC FILAMENTS LIMITED**

Plot No.1, Priyanka House, Umiyadham Road, Varachha,
Surat, Gujarat - 395006, India.

Ref: Open Offer for acquisition of up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) fully paid-up equity shares of face value of ₹ 10/- (Rupees Ten Only) each (“Equity Share”), representing up to 62.82% of the voting share capital (as defined below) of Classic Filaments Limited (The “Target Company”) at an offer price of ₹ 6.60/- (Rupees Six and Paise Sixty Only) per equity share of the Target Company, pursuant to and in compliance with the requirements of 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 (as defined below) of Classic Filaments Limited (“Target Company”)

Sub: Submission Copy of Draft Letter of Offer

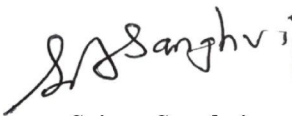

Dear Sir,

In relation to the captioned offer, we, Fedex Securities Private Limited, Manager to the Open Offer, herewith enclosed the Copy of Draft Letter of Offer, in compliance with Regulation 16(1) of Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

Please take it on record.

Thanking You,

**Yours faithfully,
For Fedex Securities Private Limited**

Saipan Sanghvi
Asst. Vice President
[SEBI Registration Code - INM000010163]
Date: September 20, 2023
Place: Mumbai

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

The Draft Letter of offer (“**DLOF**”) is sent to you as a Public Shareholder (*as defined below*) of Classic Filaments Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer (*as defined below*)/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over this DLOF and the accompanying Form of Acceptance-cum-Acknowledgement (*as defined below*) to the member of Stock Exchange (*as defined below*) through whom the said sale was affected.

OPEN OFFER (“OPEN OFFER”/ “OFFER”)

BY

MR. BHARAT PATEL

Residential Address: 203, Shaleen Apartment, Muralidhar Road, Ghod Dod Road, Umra, Surat – 395007, Gujarat, India

Tel: +91 +91 93747 29793 **Email:** bv_patel@hotmail.com

(Hereinafter referred to as ‘Acquirer 1’)

MR. AMIT PATEL

Residential Address: 13, Meera Nagar, Ram Chowk, Ghod Dod Road, Umra, Surat - 395007, Gujarat, India

Tel: +91 93740 77567 **Email:** privankaart@gmail.com

(Hereinafter referred to as ‘Acquirer 2’)

MR. JAYANTI GAUDANI

Residential Address: B/404, Ashoka Madhuban Society, Raheja Township, Rani Sati Road, Near Saibaba Mandir, Malad (East), Mumbai-400097, Maharashtra, India

Tel: +91 98251 40016 **Email:** jmgaudani27@yahoo.com

(Hereinafter referred to as ‘Acquirer 3’)

MR. AJAY GAUDANI

Residential Address: A-501, Victoria Heritage, Beside Status 20, Near Gangotri Circle, Nikol, Ahmedabad-382350, Gujarat, India

Tel: +91 96877 49944 **Email:** aj.gaudani@hotmail.com

(Hereinafter referred to as ‘Acquirer 4’)

(Hereinafter collectively referred to as ‘Acquirers’)

OPEN OFFER FOR ACQUISITION OF UP TO 38,40,530 (THIRTY-EIGHT LAKHS FORTY THOUSAND FIVE HUNDRED THIRTY ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARE”), REPRESENTING UP TO 62.82% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF CLASSIC FILAMENTS LIMITED (THE “TARGET COMPANY”) AT AN OFFER PRICE OF ₹ 6.60/- (RUPEES SIX AND PAISE SIXTY ONLY) PER EQUITY SHARE OF THE TARGET COMPANY, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF 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 (AS DEFINED BELOW)

OF

CLASSIC FILAMENTS LIMITED (“TARGET COMPANY”)

Registered Office: Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat, Gujarat, 395006

CIN: L17114GJ1990PLC013667

Tel: 0261-2540570

Email id: classicfilaments@ymail.com; **Website:** www.classicfilamentsltd.com

Please Note:

1. This Open Offer (*as defined below*) is being made by the Acquirers pursuant to and in compliance with Regulation 4 of the SEBI (SAST) Regulations and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this DLOF, to the best of the knowledge of the Acquirers, there are no statutory approvals required to implement the Open Offer that are validly tendered pursuant to the Open Offer and/or to complete the acquisition of Equity Shares by way of Share Purchase Agreement dated September 05, 2023. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
5. The Acquirers shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
6. An upward revision to the Offer Price or to the Offer Size (as defined below), if any, at any time prior to the commencement of the last 1 (one) working day before the commencement of the Tendering Period i.e., October 31, 2023, the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within 2 (two) working days by an announcement in the same newspapers in which the Detailed Public Statement was published.
7. If the aggregate number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares (as defined below), the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. Public Shareholders classified as OCBs (as defined below), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI (as defined below) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer and submit such approvals along with the Form of Acceptance 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 (as defined below) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
9. **There is no competing offer as on the date of this Draft Letter of Offer.**
10. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**

A copy of the Public Announcement (“PA”) (*as defined below*), the Detailed Public Statement (“DPS”) are available on the website of SEBI (www.sebi.gov.in), and copy of this Draft Letter of Offer (“DLOF”) and Letter of Offer (“LOF”) (including the Form of Acceptance-cum-Acknowledgement) will be available on the website of SEBI (www.sebi.gov.in).

All future correspondence should be addressed to the Manager to the Offer/Registrar to the Offer at the address mentioned below.

Manager to the Offer

Registrar to the Offer



FEDEX SECURITIES PRIVATE LIMITED

B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India

Tel No.: +91 81049 85249

E-mail: mb@fedsec.in

Investor Grievance E-Mail: mb@fedsec.in

Website: www.fedsec.in

Contact Person: Saipan Sanghvi

SEBI Registration Number: INM000010163



Skyline Financial Services Pvt. Ltd,

First Floor, D 153 A Okhla Industrial Area Phase -1

New Delhi – 110 020

Tel No.: + 91 11 40450193 -197 2851 1022

Email id: ipo@skylinerta.com

Website: www.skylinerta.com

Investor Grievance id: grievances@skylinerta.com

Contact Person: Anuj Rana

SEBI Registration No.: INR000003241

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	Date*	Day
PA for open offer	September 05, 2023	Tuesday
Date of publishing of Detailed Public Statement	September 12, 2023	Tuesday
Last date of filing Draft Letter of Offer with SEBI	September 20, 2023	Wednesday
Last date for public announcement for competing offer(s)	October 06, 2023	Friday
Last date for receipt of comments from SEBI on the Draft Letter of Offer	October 13, 2023	Friday
Identified Date [#]	October 17, 2023	Tuesday
Date by which the Letter of Offer is to be dispatched to the Equity Shareholders whose name appears on the register of members on the Identified Date.	October 25, 2023	Wednesday
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer.	October 30, 2023	Monday
Last date for upward revision of the Offer Price and/or the Offer Size.	October 31, 2023	Tuesday
Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office.	October 31, 2023	Tuesday
Date of commencement of the Tendering Period (Offer Opening Date)	November 01, 2023	Wednesday
Date of closure of the Tendering Period (Offer Closing Date).	November 15, 2023	Wednesday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Equity Shareholders of the Target Company.	November 30, 2023	Thursday
Last date for publication of post-Offer public announcement in the Newspapers.	December 07, 2023	Thursday
Last date for filing of final report with SEBI	December 07, 2023	Thursday

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

[#]Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer shall be sent. It is clarified that all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to the terms and conditions mentioned in the DPS and the LOF.

RISK FACTORS

1. RISKS RELATING TO THE UNDERLYING TRANSACTION:

- a) This Offer is a mandatory offer in terms of Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').
- b) In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, any conditions are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011. In the event of a withdrawal of the Offer, the Acquirers (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a Public Announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulation.
- c) As on the date of this DLOF, there are no statutory approvals required to complete the Underlying Transaction of the Equity shares. However, in case any statutory or other approval becomes applicable prior to the completion of the Open Offer, this Underlying Transaction would also be subject to such other statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals.

2. RISKS RELATING TO THE OFFER

- a) This Open Offer is an offer to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares representing up to 62.82% of the Voting Share Capital of the Target Company from the Public Shareholders. In the case of Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted.
- b) To the best of the knowledge of the Acquirers, as on the date of this DLOF, there are no statutory approvals required to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture.
- c) In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or (b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process 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 accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirers may be delayed.
- d) Upon sale of the entire shareholding of the Sellers in the Target Company pursuant to the Share Purchase Agreement, the Sellers are desirous that they will cease to be classified as members of the promoter and promoter group of the Target Company in accordance with applicable law. Such change in status from being classified as members of the promoter and promoter group may be subject to the approval by the Stock Exchanges if required in accordance with applicable law.
- e) NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without

limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance- cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirers shall reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or any other regulatory body, if applicable) 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. If such previous approvals and/or relevant documents are not submitted, the Acquirers shall 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 such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

- f) The Acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- g) Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation /Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- h) The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer unless expressly stated otherwise. The Acquirer and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.
- i) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
- j) The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, this DLOF or in the advertisement or any materials issued by or at the instance of the Acquirers, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company and anyone placing reliance on any other source of information will be doing so at his/her/it's or their own risk.
- k) No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirers, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% of the voting rights of the Target Company, the Acquirers may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
- l) This DLOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOF 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 Acquirers 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.
- m) The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLOF, and all shareholders should independently consult their respective tax advisors.

- n) None of the Acquirers, the Manager, or the Registrar, accept any responsibility for any loss of documents during transit (including but not limited to the Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

3. RISKS RELATING TO THE ACQUIRERS

- a) The Acquirers and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer.
- b) The Acquirers make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
- c) The Acquirers and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d) Upon completion of the Offer, assuming full acceptance in the Offer, the Acquirers will hold 45,48,880 (Forty-Five Lakhs Forty-Eight Thousand Eight Hundred and Eighty Only) Equity Shares representing 74.41% of the Voting Share Capital of the Target Company as on the tenth working day after the closure of the Tendering Period. This would not result in public shareholding in Target Company falling below the minimum level prescribed under Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957. In the event the public shareholding in the Target Company falls below the stipulated minimum level required for continuous listing, the Acquirers shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirers to meet the minimum public shareholding requirements specified under SCRR.
- e) The information pertaining to the Target Company contained in the PA or DPS or DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or publicly available sources.
- f) The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirers, but are only indicative in nature. The risk factors set forth above pertains to the Open Offer, the Underlying Transaction and Acquirers 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 or comprehensive analysis of the risks involved in participation or otherwise by Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for understanding and analyzing all risks with respect to their participation in the Open Offer.**

CURRENCY OF PRESENTATION

- In this DLOF, all references to “₹”, “Rupees”, “Rs.” or “INR” are references to Indian National Rupees(s) (INR).
- In this DLOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. KEY DEFINITIONS

Particulars	Details/Definition
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirers	Mr. Bharat Patel, Mr. Amit Patel, Mr. Jayanti Gaudani and Mr. Ajay Gaudani
AOA	Articles of Association
Board/Board of Directors	Board of directors of Classic Filaments Limited
BSE / Stock Exchange	BSE Limited
Buying Broker	Stock broker appointed by Acquirers for the purpose of this Open Offer i.e., Choice Equity Broking Private Limited
Companies Act, 2013/Act	The Companies Act, 2013 as amended, substituted or replaced from time to time.
CDSL	Central Depository Services Limited
Clearing Corporation	Indian Clearing Corporation Limited
CIN	Company Identification Number
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirers on September 12, 2023 in Financial Express (English - All Editions), Jansatta (Hindi- All Editions) Janadesh (Gujarati – Regional – Where the Registered office of the Target Company is located) and Navshakti (Marathi – Regional- Place of Stock Exchange)
DIN	Director Identification Number
DP	Depository participant
Draft Letter of Offer/DLOF	This Draft Letter of Offer dated September 20, 2023 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
Effective Date	The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations.
EPS	Earnings per share
Equity Shares	shall mean the fully paid-up equity shares of the Target Company of face value of ₹ 10/- (Rupees Ten only) each.
Escrow Account	Escrow Account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, under the name and style of “Bharat Patel CFL Escrow Account” with ICICI Bank Limited, the Escrow banker.
Escrow Agent/Escrow Bank	ICICI Bank Limited (“Escrow Agent”), a banking corporation incorporated under the laws of India, acting through its branch office at, ICICI Bank Limited, 5th floor, 163, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400020, Maharashtra India.
Escrow Agreement	Escrow Agreement dated September 08 2023, entered amongst and between the Acquirers, the Escrow banker, and the Manager to the offer.
Escrow Amount	The amount aggregating to Rs. 2,54,00,000/- (Rupees Two Crores Fifty-Four Lakhs only) maintained by the Acquirers with the Escrow Agent in accordance with the Escrow Agreement.
Existing Equity Share Capital	means the existing share capital as on date of the Public Announcement considering total fully paid-up Equity Shares of the Target Company of the face value of ₹ 10/- (Rupees Ten only) each.

Existing Share Capital / Fully paid Equity Share / Voting Share Capital	mean the total voting equity share capital of the Target Company expected as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer
FEMA	Foreign Exchange Management Act, 1999, as amended
FIIs	Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
FPIs	Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
Identified Date	The date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period i.e., Thursday, October 17, 2023, for the purpose of determining the Shareholders to whom the Letter of Offer in relation to this Offer shall be sent
Indian Rupees or INR or ₹	Indian Rupees
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
Letter of Offer/LOF	Letter of Offer dated [●], which shall be dispatched to the Public Shareholders
Manager/Manager to the Open Offer/Manager to the Offer	Fedex Securities Private Limited
Maximum Consideration/ Maximum Open Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of Rs. 2,53,47,498/- (Rupees Two Crores Fifty-Three Lakhs Forty-Seven Thousand Four Hundred and Ninety-Eight)
N.A.	Not Applicable
NEFT	National Electronic Funds Transfer
NOC	No-objection certificate
NRI	Non-resident Indians
NSDL	National Securities Depository Limited
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
Offer/Open Offer/ The Offer	means the open offer for the acquisition of up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred and Thirty) Equity Shares, representing 62.82% (Sixty-Two point Eight Two Percent) of the Share Capital from the Public Shareholders.
Offer Price	₹6.60/- (Rupees Six and Paise Sixty Only) per Equity Share, payable in cash
Offer Size	Offer Shares representing up to 62.82% (Sixty-Two point Eight Two percent) of the Voting Share Capital of the Target Company
OSV	Original seen and verified
PA/Public Announcement	The Public Announcement dated September 05, 2023 issued by the Manager on behalf of the Acquirers, in connection with the

	Open Offer.
PAC/PACs	Person(s) Acting in Concert
PAN	Permanent Account Number
Persons eligible to participate in the Offer/Shareholders	Registered shareholders of Classic Filaments Limited, and unregistered shareholders who own the Shares of Target Company on or before the last date of tendering period is eligible to participate in the offer except the Acquirers.
Proposed Transaction	The Underlying Transaction contemplated by the Share Purchase Agreement and the Open Offer
Public Shareholders	shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the (i) Acquirers and any persons deemed to be acting in concert with the Acquirers, (ii) the parties to the underlying SPA (as defined below) and any persons deemed to be acting in concert with the parties to the Share Purchase Agreement, pursuant to and in compliance with the SEBI (SAST) Regulations; and (iii) existing members of the promoter and promoter group of the Target Company.
RBI	Reserve Bank of India
Registrar/Registrar to the Open Offer/Registrar to the Offer	Skyline Financial Services Private Limited
RTGS	Real Time Gross Settlement
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended or modified
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Selling Shareholder/ Promoter Seller	shall mean Ruchir Mittal, promoter of the Target Company.
Share Purchase Agreement/ SPA	means the Share Purchase Agreement entered on September 05, 2023, by Acquirer 1 to acquire 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred Fifty) Equity Shares representing 11.18% of the Paid-up Equity Share Capital of the Target Company from the Seller at an agreed price of ₹ 3.56 (Rupees Three and Paise Fifty-six only) per Equity Share aggregating to ₹ 24,32,726 (Rupees Twenty-Four Lakhs Thirty-Two Thousand Seven Hundred Twenty-Six Only).
Special Escrow Account	Special Escrow Account opened in accordance with Regulation 21 of the SEBI (SAST) Regulations, under the name and style of “Bharat Patel CFL Special Account” with ICICI Bank Limited, the Escrow banker.
Target/Target Company/ CFL	means Classic Filaments Limited
Tendering Period	has the meaning ascribed to it under the SEBI (SAST) Regulations
Underlying Transaction	The transactions contemplated under the SPA dated September 05, 2023
Working Day(s)	has the meaning ascribed to it under the SEBI (SAST) Regulations.

** All capitalized terms used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.*

2. DISCLAIMER CLAUSES

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, FEDEX SECURITIES PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 20, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

GENERAL DISCLAIMER

THIS DRAFT LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS DRAFT LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER ARE GOVERNED BY SEBI (SAST) REGULATIONS, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. 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. THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER IS AS OF THE DATE OF THIS DRAFT LETTER OF OFFER. THE ACQUIRER, THE MANAGER TO THE OPEN OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRER ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DRAFT LETTER OF OFFER.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), 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 LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN 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 AND THE ACQUIRER 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. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRER 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 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.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

THIS DRAFT LETTER OF OFFER HAS NOT BEEN FILED, REGISTERED OR APPROVED IN ANY JURISDICTION OUTSIDE INDIA. RECIPIENTS OF THIS DRAFT LETTER OF OFFER RESIDENT IN JURISDICTIONS OUTSIDE INDIA SHOULD INFORM THEMSELVES OF AND OBSERVE ANY APPLICABLE LEGAL REQUIREMENTS. THIS OFFER IS NOT DIRECTED TOWARDS ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE THE SAME WOULD BE CONTRARY TO THE APPLICABLE LAWS OR REGULATIONS OR WOULD SUBJECT THE ACQUIRER, OR THE MANAGER TO THE OFFER TO ANY NEW OR ADDITIONAL REGISTRATION REQUIREMENTS. RECEIPT OF THE DRAFT 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 THIS DRAFT LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS), SHALL NOT BE TREATED BY SUCH SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY. THIS DRAFT LETTER OF OFFER 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 AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. PERSONS IN POSSESSION OF THIS DRAFT LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THE OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THE OFFER.

3. DETAILS OF THE OPEN OFFER

3.1 Background to the Open Offer

- 3.1.1. This Open Offer is a Mandatory Offer under Regulation 4 of the SEBI (SAST) Regulations, 2011. The Offer Price will be payable in cash by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
- 3.1.2. Acquirer 1 has entered into the SPA with the Promoter Seller on September 05, 2023, pursuant to which Acquirer 1 has agreed to acquire 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred Fifty) fully paid-up Equity Shares (“**Sale Shares**”) of ₹ 10/- (Rupees Ten Only) each representing 11.18% (Eleven point Eighteen Percentage) of the total Voting Share Capital of the Target Company at a price of ₹ 3.56 (Rupees Three and Fifty-six Paise Only) per Equity Shares aggregating to Rs 24,32,726 (Rupees Twenty-Four Lakhs Thirty-Two Thousand Seven Hundred Twenty-Six Only), subject to such terms and conditions as mentioned in the SPA (“**Underlying Transactions**”). The consideration for the Sale Shares shall be paid in cash by Acquirer 1.
- 3.1.3. Upon completion of the Underlying Transaction, the Acquirers will be exercising joint control over the Target Company and Acquirer 1 will be the largest shareholder of the Target Company, and consequently the Acquirers shall be classified as ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the Offer, the erstwhile Promoter shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoter of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations.
- 3.1.4. Acquirer 1 has agreed to purchase the Sale Shares and the respective rights and obligations of the Seller and the Acquirers in this respect.

The salient feature of the Share Purchase Agreement (“SPA”) dated September 05, 2023 are as under:

- i. The Selling Shareholder has agreed to sell and transfer to the Acquirer 1 and the Acquirer 1 has agreed to purchase the Sale Shares in terms of the SPA.
 - ii. The Parties agree that the purchase of the Sale Shares by the Purchaser and the payment of the Purchase price by the Purchaser for the Sale Shares shall take in the manner stated in the SPA.
 - iii. In consideration for the sale and transfer of the Sale Shares, Acquirer 1 shall pay the Purchase Consideration to the Seller, in proportion to the number of Sale Shares being sold by them, in accordance with the terms and conditions of the Agreement.
 - iv. The mode of payment of consideration for the Acquisition of the Sales Shares by the Acquirer 1 is in cash.
 - v. The Acquirer 1 may complete the acquisition of Equity Shares at the expiry of 21 (Twenty-One) working days from the date of Detail Public Statement of this Open Offer as per regulation 22(2) of SEBI (SAST) Regulations.
 - vi. The parties agree that the obligations of the Acquirer 1 to purchase Sale Shares is as per the conditions as set out in the SPA.
 - vii. The sale and purchase of Sale Shares is subject to compliance with the provisions of SEBI (SAST) Regulations.
 - viii. The object and purpose of acquisition of Sale Shares by the Acquirers is to take control and expand and consolidate the shareholding and voting rights of the Acquirers in the Target Company in line with their strategic intent to have a sustained growth in the Target Company.
- 3.1.5. This Open Offer is for acquisition of up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital of the Target Company. The details of the Underlying Transaction are set out below:

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	Mode of payment	Regulation which has triggered
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		No. of Shares	% vis-à-vis Voting Share Capital*	rights acquired (INR)*		
Direct	SPA – Acquirer 1 entered into a SPA with the Selling Shareholder to acquire the Sale Shares, subject to, and in accordance with, the terms of the SPA and completion of the Open Offer.	6,83,350	11.18%	₹ 24,32,726	Cash	Regulation 4 of the SEBI (SAST) Regulations

3.1.6. The prime objective of the Acquirers for under taking the Proposed Transaction is to have joint control amongst the Acquirers and consequently substantial holding of Equity Shares and voting rights of the Target Company pursuant to this Offer.

3.1.7. The current and proposed (post-Offer) shareholding of the Acquirers in the Target Company are as follows:

Details	Acquirer 1 [^]		Acquirer 2 [^]		Acquirer 3 [^]		Acquirer 4 [^]	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
Shareholding as on the date of the PA	NIL*	-	NIL	-	25,000	0.41%	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	-	25,000	0.41%	NIL	-
Equity Shares proposed to be acquired through Open Offer ^{^^}	4,47,620	7.32%	11,30,970	18.50%	11,30,970	18.50%	11,30,970	18.50%
Post Offer shareholding as of the 10th working day after the Tendering Period (assuming the entire 62.82% is tendered in the Offer) ^{^^^}	11,30,970	18.50%	11,30,970	18.50%	11,55,970	18.91%	11,30,970	18.50%

* 25,000 shares of the Target Company are held by Ms. Mamta Patel, deceased wife of Mr. Bharat Patel, Acquirer 1 are yet to be transmitted.

[^]Calculated on the Share Capital.

^{^^} Assuming full Acceptance of the Open offer

^{^^^} Upon completion of the Proposed Transaction, the Acquirers will be holding 74.41% of Share Capital of the Target Company. The proposed acquisition by the Acquirers is with an intention to acquire Share Capital and control the Target Company. Acquirers shall become the promoters of the Target Company in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”).

3.1.8. The Acquirers are making this Open Offer under Regulation 4 of SEBI (SAST) Regulations, to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Draft Letter of Offer, at a price of ₹ 6.60/- per equity share. These Shares are to be

acquired by the Acquirers, free from all lien, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

- 3.1.9. There is no person acting in concert/s with the Acquirers within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.10. As on the date of this DLOF, the Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any other regulation made under the SEBI Act.
- 3.1.11. As on the date of this DLOF, the Acquirers have not been categorized in the list of willful defaulters or fraudulent borrower of any bank, financial institution, or consortium thereof in accordance with guidelines on willful defaulters issued by Reserve Bank of India.
- 3.1.12. As on the date of this DLOF, the Acquirers have not been categorized as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 3.1.13. The Manager to the Open Offer i.e., Fedex Securities Private Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.14. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.
- 3.1.15. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirers will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

3.2 Details of the proposed Offer

- 3.2.1 The PA announcing the Open Offer, under Regulation 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was made by the Manager to the Open Offer on behalf of the Acquirers and was filed on September 05, 2023 with SEBI, BSE and the Target Company. The copy of the PA was sent to the SEBI on September 06, 2023 in terms of Regulation 14(1) & 14(2) of the SEBI (SAST) Regulations. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations the DPS was published in the following newspapers on September 12, 2023:

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Janadesh	Gujarati	Gujarat Edition (being the regional language of the place where the registered office of the Target Company is situated)
Navshakti	Marathi	Mumbai edition (being the place of the stock exchange where the maximum volume of trading in the shares of the Target Company were recorded during the sixty trading days preceding the date of the PA)

A copy of the DPS was also submitted to SEBI and the BSE and sent to the Target Company on September 12, 2023. The DPS is also available on the website of SEBI at www.sebi.gov.in.

- 3.2.2 This Open Offer is being made by the Acquirers to all the Public Shareholders of the Target Company to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital, at a price of ₹ 6.60 (Rupees Six and Paise Sixty only) per Offer Share (**“Offer Price”**), which has been calculated in accordance Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of ₹ 2,53,47,498 (Rupees Two Crore Fifty-Three Lakhs Forty-Seven Thousand Four Hundred Ninety-Eight Only) (**“Maximum Open Offer Consideration”**), subject to the terms and conditions mentioned herein.
- 3.2.3 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) other than ESOPs issued by the Target Company.
- 3.2.4 There is no differential pricing in the Offer.
- 3.2.5 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.
- 3.2.6 This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations
- 3.2.7 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.8 The Acquirers has not acquired Equity Shares during period of 52 (Fifty-Two) weeks prior to the date of the Public Announcement. The Acquirers have not acquired any Equity Shares of the Target Company between the date of the PA (i.e., September 05, 2023) and up to the date of this DLOF. The Acquirers shall disclose any acquisitions made by the Acquirers during the Offer Period of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 3.2.9 To the best of the knowledge of the Acquirers, no statutory or regulatory approvals are required by the Acquirers to complete this Offer. However, in case any statutory or regulatory approval is required by the Acquirers at a later date, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such approvals. The Acquirers will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory or regulatory approval, as may be required, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirers. 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.
- 3.2.10 Where any statutory, regulatory or other approval extends to some but not all of the Public Shareholders, the Acquirers 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.
- 3.2.11 The acquisition of Equity Shares tendered by NRIs and OCBs is subject to regulatory approvals (and where applicable) such OCBs and NRIs must submit the approvals/ exemptions from the RBI along with the Form of Acceptance-cum-Acknowledgement for tendering their Equity Shares in the Offer.
- 3.2.12 The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirers at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 3.2.13 The Offer Shares which will be acquired by the Acquirers, shall be fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder(s) shall have obtained all necessary consents required by them to tender the Equity Shares in the Offer accordingly.

- 3.2.14 The Equity Shares of the Target Company are listed on BSE (Security ID: CFL; Scrip Code: 540310).
- 3.2.15 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.

3.3 OBJECT OF THE OPEN OFFER

- 3.3.1 The prime objective of the Acquirers for under taking the Proposed Transaction is to have joint control amongst the Acquirers and consequently substantial holding of Equity Shares and voting rights of the Target Company pursuant to this Offer.
- 3.3.2 Upon completion of the Underlying Transaction, the Acquirers will be exercising joint control over the Target Company and Acquirer 1 will be the largest shareholder of the Target Company, and consequently the Acquirers shall be classified as ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the Offer, the erstwhile promoter shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoter of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations
- 3.3.3 The Acquirers intend to expand the Target Company’s business activities by carrying on additional business for commercial reasons and operational efficiencies. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with applicable laws.
- 3.3.4 The Acquirers have proposed to continue the business as specified under the object clause of Memorandum of Association of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Target Company’s business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.5 Currently, the Acquirers does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) 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. If the Acquirers intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.
- 3.3.6 Post-completion of acquisition of Offer Shares as contemplated under this Offer, assuming full acceptance of the Offer, the Acquirers shall hold majority of the Equity Shares of the Target Company and they will be in a position to exercise effective joint management and control over the Target Company.

4. BACKGROUND OF THE ACQUIRERS

4.1 INFORMATION ABOUT Mr. BHARAT PATEL (‘ACQUIRER 1’)

- 4.1.1 Mr. Bharat Patel s/o Mr. Anandkumar Patel aged about 47 years, is an Indian resident bearing Permanent Account Number “AAJPP2117Q” under the Income-tax Act, 1961 and residing at 203, Shaleen Apartment, Muralidhar Road, Ghod Dod Road, Umra, Surat – 395007, Gujarat, India. His mobile number is +91 93747 29793 and his email id is bv_patel@hotmail.com.

- 4.1.2 Acquirer 1 holds a bachelor's degree in commerce from University of Mumbai. Acquirer 1 has experience of more than 20 years in the Textile industry. Acquirer 1 has been associated with the Target Company for the last 8 years as the Executive Director and CFO of the Target Company. Acquirer 1 is also on the Audit Committee and Stakeholders Relationship Committee of the Target Company.
- 4.1.3 As on the date of this DLOF, Acquirer 1 is not holding any Equity Shares of the Target Company. However, 25,000 Equity Shares are held in the name of Ms. Mamta Patel, deceased wife of Acquirer I. These shares are yet to be transmitted. Acquirer 1 has not acquired / sold any Equity Shares of the Target Company between the date of the Public Announcement, i.e., September 5, 2023 and the date of this DLOF and during the 52 weeks prior to the date of PA.
- 4.1.4 The details of the ventures promoted and controlled by the Acquirer 1 is given as under:

Sr. No.	Company Name	Nature of Interest	Percentage/stake of holding %	Listed (if Yes On which Stock Exchange)
1.	Gama Corporate Ventures Private Limited	Director and shareholder	50.00%	No
2.	Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021) *	Shareholder	0.25%	No

** Parjanya Infraprojects Private Limited was floated for one project only and was strike-off on completion of that project.*

- 4.1.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231W) has certified vide Certificate dated September 18, 2023 bearing UDIN 23116110BGUBNQ1417 that the net worth of Acquirer 1 as on March 31, 2023 is ₹ 1700.97 Lakhs and that there is no significant change in the networth of the Acquirer 2, since March 31, 2023
- 4.1.6 As on the date of this DLOF, Acquirer 1 has sufficient resources to fulfill the obligations under this Offer.
- 4.1.7 As on the date of this DLOF, Acquirer 1 confirms that he 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 as amended or under any other regulations made under the SEBI Act.
- 4.1.8 As on the date of this DLOF, Acquirer 1 has confirmed that he has not been categorized as a '**willful defaulter**' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 1 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the "Wilful Defaulter" list of the Reserve Bank of India.
- 4.1.9 As on the date of this DLOF, Acquirer 1 confirms that he has not been declared as a '**Fugitive Economic Offender**' under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.1.10 Acquirer 1 do not form part of any group. Further, Acquirer 1 is not forming part of the present promoters and promoter group of the Target Company.
- 4.1.11 Acquirer 1 undertakes that he will not sell/deal with any Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.1.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 1 ("**Deemed PACs**"), such Deemed PACs are not acting in concert with Acquirer 1 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.1.13 Acquirer 1 and Acquirer 2 are immediate relatives, as Acquirer 2 is the brother of Acquirer 1.

4.2 Mr. Amit Patel ('Acquirer 2')

- 4.2.1 Mr. Amit Patel S/o Mr. Anandkumar Patel aged about 43 years, is an Indian resident bearing Permanent Account Number "AIWPP3314N" under the Income-tax Act, 1961 and residing at 13, Meera Nagar, Ram Chowk, Ghod Dod Road, Umra, Surat - 395007, Gujarat, India. His mobile number is +91 93740 77567 and his email id ispriyankaart@gmail.com.
- 4.2.2 Acquirer 2 holds MBBS degree from Maharashtra University of Health Sciences, Nashik and MS in Orthopedics from MGM Institute of Health Sciences.
- 4.2.3 As on the date of this DLOF, Acquirer 2 is not holding any Equity Shares of the Target Company.
- 4.2.4 Acquirer 2 does not hold any position in the Target Company.
- 4.2.5 The details of the ventures promoted and controlled by the Acquirer 2 is given as under:

Sr. No.	Company Name	Nature of Interest	Percentage/stake of holding %	Listed (if Yes On which Stock Exchange)
1.	Gama Corporate Ventures Private Limited	Director and shareholder	40.00%	No
2.	Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021) *	Shareholder	24.25%	No

** Parjanya Infraprojects Private Limited was floated for one project only and was strike-off on completion of that project.*

- 4.2.6 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide letter dated September 18, 2023 bearing UDIN 23116110BGUBNR9255 that the net worth of Acquirer II as on March 31, 2023 is ₹ 299.91 Lakhs and that there is no significant change in the networth of the Acquirer 2, since March 31, 2023.
- 4.2.7 As on the date of this DLOF, Acquirer 2 has sufficient resources to fulfill the obligations under this Offer.
- 4.2.8 As on the date of this DLOF, Acquirer 2 confirms that he 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 as amended or under any other regulations made under the SEBI Act.
- 4.2.9 As on the date of this DLOF, Acquirer 2 confirms that he has not been categorized as a '**willful defaulter**' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 2 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the "Willful Defaulter" list of the Reserve Bank of India
- 4.2.10 Acquirer 2 do not form part of any group. Further, Acquirer 2 is not forming part of the present promoters and promoter group of the Target Company.
- 4.2.11 As on the date of this DLOF, Acquirer 2 confirms that has not been declared as a '**Fugitive Economic Offender**' under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.2.12 Acquirer 2 undertakes that he will not sell/deal with the Equity Shares of the Target Company, if any during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.

4.2.13 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 2 (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 2 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.

4.2.14 Acquirer 1 and Acquirer 2 are immediate relatives, as Acquirer 2 is the brother of Acquirer 1.

4.3 Mr. Jayanti Gaudani (‘Acquirer 3’)

4.3.1 Mr. Jayanti Gaudani S/o Mr. Madhubhai Gaudani aged about 45 years, is an Indian resident bearing Permanent Account Number “ADZPG7704R” under the Income-tax Act, 1961 and residing at B/404, Ashoka Madhuban Society, Raheja Township, Rani Sati Road, Near Saibaba Mandir, Malad (East), Mumbai-400097, Maharashtra, India. His mobile number is +91 98251 40016 and his email id is jmgaudani27@yahoo.com.

4.3.2 Acquirer 3 is an under-graduate and has completed his studies till S.Y.B. Com from Mumbai University. Acquirer 3 had experience for more than 15 years in Textile industry. Acquirer 3 has been associated with the Target Company for the last 8 years as the Managing Director of the Target Company. Acquirer 3 is not a member of any committee of the Target Company.

4.3.3 As on the date of this DLOF, Acquirer 3 is holding 25,000 Equity Shares constituting 0.41% of the Target Company.

4.3.4 The details of the ventures promoted and controlled by the Acquirer 3 is given as under:

Sr. No.	Company Name	Nature of Interest	Percentage/stake of holding %	Listed (if Yes On which Stock Exchange)
1.	Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021)	Shareholder	24.25%	No

** Parjanya Infraprojects Private Limited was floated for one project only and was strike-off on completion of that project.*

4.3.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide Certificate dated September 18, 2023 bearing UDIN 23116110BGUBNP2786 that the net worth of Acquirer 3 as on March 31, 2023 is ₹ 295.43 Lakhs and that there is no significant change in the networth of the Acquirer 3, since March 31, 2023.

4.3.6 As on the date of this DLOF, Acquirer 3 has sufficient resources to fulfill the obligations under this Offer.

4.3.7 As on the date of this DLOF, Acquirer 3 confirms that he 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 as amended or under any other regulations made under the SEBI Act.

4.3.8 As on the date of this DLOF, Acquirer 3 confirms that he has not been categorized as a ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 3 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the “Willful Defaulter” list of the Reserve Bank of India.

4.3.9 As on the date of this DLOF, Acquirer 3 confirms that he has not been declared as a ‘**Fugitive Economic Offender**’ under the provisions of the Fugitive Economic Offenders Act, 2018.

4.3.10 Acquirer 3 do not form part of any group. Further, Acquirer 3 is not forming part of the present promoters and promoter group of the Target Company.

- 4.3.11 Acquirer 3 undertakes that he will not sell the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.3.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 3 (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 3 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.3.13 Acquirer 3 and Acquirer 4 are immediate relatives, as Acquirer 4 is the brother of Acquirer 3.

4.3 Mr. Ajay Gaudani (‘Acquirer 4’)

- 4.3.1 Mr. Ajay Gaudani s/o Mr. Madhubhai Gaudani aged about 42 years, is an Indian resident bearing Permanent Account Number “AIUPG4665R” under the Income Tax Act, 1961 and residing at A-501, Victoria Heritage, Beside Status 20, Near Gangotri Circle, Nikol, Ahmedabad-382350, Gujarat, India. His mobile number is +91 9687749944 and his email id isaj.gaudani@hotmail.com.
- 4.3.2 Acquirer 4 is an under-graduate and completed his HSC from Maharashtra Board. Acquirer 4 has experience in the Real Estate industry. Acquirer 4 is not associated with the Target Company in any capacity.
- 4.3.3 As on the date of this DLOF, Acquirer 4 is not holding any equity shares of the Target Company.
- 4.3.4 The details of the ventures promoted and controlled by the Acquirer 4 is given as under:

Sr. No.	Company Name	Nature of Interest	Percentage/stake of holding %	Listed (if Yes On which Stock Exchange)
1.	Victoria Buildcon LLP	Designated Partner	50.00%	No

- 4.3.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide Certificate dated September 18, 2023, bearing UDIN 23116110BGUBNS7264 that the net worth of Acquirer IV as on March 31, 2023 is ₹ 360.01 Lakhs and that there is no significant change in the networth of the Acquirer 4, since March 31, 2023.
- 4.3.6 As on the date of this DLOF, Acquirer 4 has sufficient resources to fulfill the obligations under this Offer.
- 4.3.7 As on the date of this DLOF, Acquirer 4 confirms that he 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 as amended or under any other regulations made under the SEBI Act.
- 4.3.8 As on the date of this DLOF, Acquirer 4 confirms that he has not been categorized as a ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 4 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the “Willful Defaulter” list of the Reserve Bank of India.
- 4.3.9 As on the date of this DLOF, Acquirer 4 confirms that he has not been declared as a ‘**Fugitive Economic Offender**’ under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.3.10 Acquirer 4 do not form part of any group. Further, Acquirer 4 is not forming part of the present promoters and promoter group of the Target Company.
- 4.3.11 Acquirer 4 undertakes that he will not sell sell/deal with the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.

4.3.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer IV (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 4 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.

4.3.13 Acquirer 3 and Acquirer 4 are immediate relatives, as Acquirer 4 is the brother of Acquirer 3.

5. DETAILS OF SELLING SHAREHOLDER:

5.1 The Acquirer 1 have entered into the Share Purchase Agreement (“SPA”) with the Selling Shareholder, on September 05, 2023, for acquisition of the Sale Shares (i.e. 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred and Fifty Only) fully paid-up Equity Shares of ₹ 10/- each representing 11.18% of the Voting Share Capital of the Target Company) at a price of ₹ 3.56 (Rupees Three and Paise Fifty-six) per Equity Share aggregating to ₹24,32,726 (Rupees Twenty Four Lakhs Thirty-two Thousand Seven Hundred and Twenty-Six), subject to the terms and the conditions as mentioned in the SPA.

5.2 The details of Selling Shareholder, who have entered in to the Share Purchase Agreement are stated hereunder:

Sr. No.	Name of the Selling Shareholder	Address	Nature of Entity	Name of the group	Name of the stock exchange in India or abroad, where listed (if applicable)	Part of Promoter / Promoter group (Yes / No)	Details of Shares / Voting Rights held by the Selling Shareholder			
							Pre-Transaction		Post-Transaction	
							No. of Equity Shares	% vis-à-vis voting share capital	No. of Equity Shares	% vis-à-vis voting share capital
1	Ruchir Mittal	L-724, Ashirwad Palace, Behind Jivkor Nagar, Bhatar, Surat, Gujarat - 395017	Individual	-	N.A.	Yes	6,83,350	11.18%	NIL	NIL
	Total						6,83,350	11.18%	NIL	NIL

5.3 As on the date of this DLOF, the Selling Shareholder has confirmed that he 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, 1992 and subsequent amendments thereto or under any other regulations made there under.

5.4 There is no lien, encumbrance or lock-in on the Equity Shares held by the Selling Shareholder and shares will be transferred free from all encumbrances, and lock-in requirements.

- 5.5 Post completion of the Offer formalities, the Seller shall relinquish the control and management of the Target Company in favour of the Acquirer, in accordance with and in compliance with Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”).
- 5.6 As on the date of this DLOF, the Selling Shareholder confirms that he has been not categorized as ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- 5.7 As on the date of this DLOF, the Selling Shareholder confirms that he has not been declared as a fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018.
- 5.8 The Selling Shareholder is not related to the Acquirers in any manner.

6. BACKGROUND OF THE TARGET COMPANY, CLASSIC FILAMENTS LIMITED

- 6.1 Classic Filaments Limited, the Target Company is a public listed company and was incorporated under the provisions of the Companies Act, 1956 on April 24, 1990 as a private limited company in the name and style of V. Natwarlal Synthetics Private Limited. The name of the Target Company was changed to Classic Filaments Private Limited on September 10, 1993. The Target company was subsequently converted into a Public Limited Company i.e., Classic Filaments Limited vide fresh certificate dated February 15, 1995. There has been no change in the name of the Target Company in the last three years.
- 6.2 The Registered Office of the Target Company is situated at Plot No. 1, Priyanka House, Umiyadham Road, Varachha, Surat – 395006, Gujarat, India, and the contact details of the Target Company are as follows Email: classicfilaments@ymail.com, Telephone number is 0261-2540570, and website is www.classicfilamentsltd.com. The Corporate Identification Number (CIN) of the Target Company is L17114GJ1990PLC013667
- 6.3 The Target Company is engaged in the business of Trading in Textile products. The Target Company is not undertaking any operations since last 2 years.
- 6.4 The Target Company was listed during the financial year 1995-96 on the Vadodara Stock Exchange, Ahmedabad Stock Exchange and The Stock Exchange, Mumbai. Subsequently, due to failure to comply with the listing requirements, the Stock Exchange, Mumbai compulsorily delisted the shares of the Target Company on April 20, 2004. Later, the Target Company got its Equity Shares listed on BSE Limited, under the Direct Listing process on February 22, 2017, consequent to the derecognition of the Vadodara Stock Exchange and Ahmedabad Stock Exchange, regional stock exchanges. Since then the Equity Shares of the Target Company were listed on BSE Limited. The Equity Shares of the Target Company are presently listed on BSE Ltd (Security ID: CFL, Security Code: 540310). The ISIN of the Equity Shares of the Target Company is INE181U01018. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- 6.5 The Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited on March 31, 2023.
- 6.6 As on date of this DLOF, the trading in Equity Shares of the Target Company is not suspended at BSE Limited. The trading in Equity Shares of Target Company is under X/T+1 Category.
- 6.7 As on the date of this DLOF, the Authorised Share Capital of the Target Company is ₹ 7,50,00,000 (Rupees Seven Crores Fifty Lakhs Only) consisting of 75,00,000 (Seventy-Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each. The issued, subscribed and fully paid-up Share Capital of the Target Company is ₹ 6,11,33,500 (Rupees Six Crores Eleven Lakhs Thirty-Three Thousand Five Hundred Only) consisting of 61,13,350 (Sixty-One Lakhs Thirteen Thousand Three Hundred Fifty) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

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

Particulars	Number of Equity Shares	% of shares or voting rights
Fully paid-up Equity Shares	61,13,350	100.00
Partly paid-up Equity Shares	-	-
Total paid-up Equity Shares	61,13,350	100.00
Total voting rights in Target Company	61,13,350	100.00

6.9 As on the date of this DLOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.

6.10 The Board of Directors of the Target Company as on the date of DLOF are as follow:

Name of the Director	DIN	Date of Appointment	Designation
Jayanti Gaudani	03571671	May 24, 2015	Managing Director
Bharat Patel	00249234	May 24, 2015	Director / CFO
Subhash Patle	00369492	May 23, 2020(second term)	Non- Executive Independent Director
Bhavesh Dholiya	07641315	August 10, 2022 (second term)	Non- Executive Independent Director
Arunaben V Kachchhi	07915688	September 01, 2022 (second term)	Non- Executive Independent Director

6.11 There has been no merger/ de-merger, spin off during last 3 years involving the Target Company.

6.12 The Target Company is not registered with any regulatory or governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company

6.13 Except as mentioned below, there are no instances in the past where the Target Company has delayed any disclosures to be made in accordance with the provisions of SEBI (LODR) Regulations 2015.

Regulation	Due date of Compliance	Actual date of compliance	Delay / Non - Filing	Remarks
7(3)	April 30, 2017	June 16, 2017	Filed	-
7(3)	April 30, 2020	May 13, 2020	Filed	Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020
31	July 21, 2019	July 22, 2019	Filed	-
31	April 21, 2020	May 13, 2020	Filed	Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020

31(2)		Not complied	Not Complied	The promoter shareholder is in the process of getting their shares dematerialised
40(9)	April 30, 2020	May 29, 2020	Filed	Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020
40(9)	April 30, 2017	June 16, 2017	Filed	-

**Since the information with respect to filing done post direct listing of the Target Company on February 22, 2017, the same is considered herein above. Further, the Target Company has defaulted / delayed in complying with the erstwhile Listing Agreement requirements prior to direct listing on BSE Limited. However, necessary information with respect to such non-compliance is not available as the Vadodara Stock Exchange and Ahmedabad Stock Exchange is derecognized.*

***The shareholding of the promoter is held in physical form and is in the process of being dematerialised. Further, the shareholding of the promoter group, till their transfer during March '2019, were also held in physical form.*

6.14 Except as mentioned below, there are no instances of delayed disclosures by the Promoters in accordance with the provisions of Chapter V of the SEBI (SAST) Regulations-

Regulation	Due date of Compliance	Actual date of compliance	Delay / Non - Filing	Remarks
29 (2)	April 02, 2019	Not Filed	Not Filed	SEBI may take appropriate action against the Promoter and Promoter Group for such non-compliance
31(4)	April 07, 2020	May 30, 2020	Filed	Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/DCR1/CIR/P/2020/49 dated March 27, 2020
30(1) and (2)	April 07, 2020	May 30, 2020	Filed	Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/DCR1/CIR/P/2020/49 dated March 27, 2020

**The sellers being members of the promoter group were wrongly classified as non-promoter/promoter group under the tab Disclosures-SAST on the BSE website*

6.15 The Target Company or its promoter have not been declared as: (a) wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations; or (b) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

6.16 As on the date of this DLOF, except as set out above, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Target Company or the Current Promoter which have been issued/ initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this DLOF, no penalties have been levied by SEBI/ RBI against the Target Company or the Current Promoter and Promoter Group of the Target Company.

6.17 As on the date of this DLOF, the current promoter of the Target Company has not sought any general exemption under Regulation 10 of the SEBI (SAST) Regulations, and, accordingly, no report under Regulation 10(7) of the SEBI (SAST) Regulations has been filed by the current promoter.

6.18 There are no contingent liabilities as on the date of this DLOF.

6.19 The key financial information of the Target Company as extracted from its respective audited financial statements as of and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021. Further, the Profit & Loss Statement, is also extracted from the unaudited limited review financial statements for the three months period ended June 30, 2023, is as set out below:

(₹ in Lakhs)

Profit & Loss Statement	For the three months period ended June 30, 2023	For the yearended March 31, 2023	For the yearended March 31, 2022	For the yearended March 31, 2021
	(Unaudited, Limited Review Report)	Audited	Audited	Audited
Revenue from Operations	0.00	0.00	0.00	31.65
Other Income	0.00	0.23	0.06	0.03
Total Income	0.00	0.23	0.06	31.68
Total Expenditure excluding Interest, Depreciation and Tax	5.46	10.12	10.24	40.82
Profit before Depreciation, Interest & Tax	(5.46)	(9.90)	(10.18)	(9.14)
Depreciation	0.00	0.00	0.00	0.00
Finance costs	0.00	0.00	0.00	0.00
Profit / (Loss) before Tax	(5.46)	(9.90)	(10.18)	(9.14)
Provision for Tax (including Deferred tax & Tax for earlier years)	0.00	0.00	0.00	0.00
Profit / (Loss) after Tax	(5.46)	(9.90)	(10.18)	(9.14)
Dividend %	0.00	0.00	0.00	0.00
Earning Per Equity share	(0.09)	(0.16)	(0.17)	(0.15)

Balance Sheet Statement	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
	Audited	Audited	Audited
Sources of Funds			

Paid up share capital	611.33	611.33	611.33
Reserves & Surplus (Excluding revaluation reserves)	(22.40)	(12.50)	(2.32)
Net Worth	588.93	598.83	609.01
Secured Loans	0.00	0.00	0.00
Unsecured Loans	4.00	17.00	39.00
Current Liabilities	149.78	150.22	150.27
Total	742.71	766.05	798.28
Uses of Funds			
Net Fixed Asset	0.48	0.49	0.50
Other non-current assets	450.36	471.10	605.15
Current Assets	289.09	291.68	189.85
Total Miscellaneous Expenditure not written off	2.78	2.78	2.78
Total	742.71	766.05	798.28

There are no contingent liabilities as on the date of this DLOF.

Notes:

- 1) The key financial information for the three-month period ended June 30, 2023 has been extracted from limited review report of the unaudited financial results for the three-month period ended June 30, 2023 submitted to BSE under Regulation 33 of SEBI (LODR) Regulations.
- 2) The key financial information for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 have been extracted from Target Company's annual reports for financial years 2022-23, 2021-2022 and 2020- 2021, respectively.
- 3) Current Liabilities includes trade payable and other current liabilities
- 4) Non-Current Assets includes non-current investment and long-term loans and advances
- 5) Current Assets includes cash and cash equivalent, bank balances, short-term loans and advances.

6.20 Pre-Offer and post-Offer shareholding pattern of the Target Company as on June 30, 2023 (assuming full acceptances) is as provided below:

Sr. No.	Shareholdercategory	Shareholding & voting rights prior to the agreement/acquisition and offer	Shares/voting rights agreed to be acquired which triggered off the Takeover Regulations (B)	Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)***	Shareholding/votingrights after the acquisition and Offer (A)+(B)+(C)=(D)***
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