

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The draft letter of offer (“**Draft Letter of Offer**”/ “**DLOF**”) is sent to you as a Public Shareholder (*as defined below*) of Choksi Imaging Limited (“**Target Company**”). If you require any clarification 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*), please hand over the Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was affected.

SAMIR CHOKSI (ACQUIRER 1)

Resident Address: Mukti Jaihind Society, NS Road 12 JVPD Scheme, Juhu, Mumbai -400049, Maharashtra, India
(Tel: 022 2610 1113; Fax: Not Applicable)

and

CHOKSI ASIA PRIVATE LIMITED (ACQUIRER 2)
(Formerly Known as Hi-Tech Imaging Private Limited)

Registered Office: Ground Floor, Choksi Bhuvan, Nehru Road & Nariman Road, Vile Parle East, Mumbai - 400057, Maharashtra, India. CIN: U93090MH2007PTC168500
(Tel: 022 2610 1113; Fax: Not Applicable)

(hereinafter collectively referred to as the “**Acquirers**”)

MAKE A CASH OFFER TO ACQUIRE UP TO 10,14,000 (TEN LAKHS FOURTEEN THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26.00% (TWENTY-SIX PERCENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY, AT A PRICE OF 35/- (RUPEES THIRTY-FIVE ONLY) PER EQUITY SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF

CHOKSI IMAGING LIMITED

Registered Office: Survey No.121, Plot No 10, Silvassa Industrial Est, 66 Kva Road, Aml, Silvassa, Dadra & Nagar Haveli, 396230

CIN: L24294DN1992PLC005560

Tel: 026 0264 2240; **Fax:** NA

Email id: compliance.officer@choksiworld.com

Website: www.choskiworld.com

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

Please Note:

1. This Open Offer (as defined below) is a mandatory offer made pursuant to Regulation 3(2) and other applicable regulations of the SEBI (SAST) Regulations, pursuant to execution of the SPA between the Acquirers and the Sellers, on September 29, 2021.
2. This Open Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge of the Acquirers, as on date of this Draft Letter of Offer, there are no statutory approvals required by the Acquirers to complete the Underlying Transactions (*as defined below*) and the acquisition of the Offer Shares (*as defined below*) that are validly tendered pursuant to the Open Offer or to complete this Open Offer, save and except as set out in Section VIII(C) (*Statutory and other Approval*). However, in case any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirers will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirers, the Acquirers may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of the Offer, the Acquirers (through the Manager to Open offer) shall, within 2 (Two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) was published, stating grounds for such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
5. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to Open offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 only.
6. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the

Acquirers at any time prior to the commencement of the last one (1) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall: (i) make corresponding increase to the Escrow Amount (*as defined below*); (ii) make a public announcement in the same Newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchange(s), and the Target Company at its registered office of such revision. However, the Acquirers shall not acquire any Equity Shares after the three (3) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. The same price shall be payable by the Acquirers for all the Equity Shares tendered anytime during the Open Offer.

7. 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 (*as defined below*) and other documents required to accept this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
8. **There has been no competing offer as of the date of this Draft Letter of Offer. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**
9. Copies 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 copies of this Draft Letter of Offer and Letter of Offer (“LOF”) (including the Form of Acceptance) 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



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
Fax No.: 022 2618 6966
E-mail: mb@fedsec.in
Investor Grievance E-Mail: mb@fedsec.in
Website: www.fedsec.in
Contact Person: Yash Kadakia
SEBI Registration Number: INM000010163



ADROIT CORPORATE SERVICES PRIVATE LIMITED

18-20 Jafarbhoy Industrial Estate, 1st floor, Makwana Road, Marol
Naka, Andheri East, Mumbai – 400 059.
Tel:022-42270400;
Fax:022-28503748
Email: n.surreash@adroitcorporate.com
Investor Grievance Email id: info@adroitcorporate.com
Website: www.adroitcorporate.com
Contact Person: Mr. N. Surreash
SEBI Registration No.: INR000002227

OFFER OPEN ON: FRIDAY, NOVEMBER 26, 2021

OFFER CLOSES ON: THURSDAY DECEMBER 09, 2021

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Sr. No.	Activity	Date*	Day*
1.	Date of Public Announcement	September 29, 2021	Wednesday
2.	Date of publishing of Detailed Public Statement	October 06, 2021	Wednesday
3.	Last date of filing Draft Letter of Offer with SEBI	October 13, 2021	Wednesday
4.	Last date for public announcement for competing offer(s)**	October 29, 2021	Friday
5.	Last date for receipt of comments from SEBI on the Draft Letter of Offer	November 09, 2021	Tuesday
6.	Identified Date#	November 11, 2021	Thursday
7.	Date by which Letter of Offer to be dispatched to the Shareholders	November 18, 2021	Thursday
8.	Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	November 24, 2021	Wednesday
9.	Last date for upward revision of the Offer Price and/or the Offer Size	November 25, 2021	Thursday
10.	Date of publication of Open Offer opening public announcement, in the newspapers in which the DPS has been published	November 25, 2021	Thursday
11.	Date of Commencement of Tendering Period (Offer Opening Date)	November 26, 2021	Friday
12.	Date of Expiration of Tendering Period (Offer Closing Date)	December 09, 2021	Thursday
13.	Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	December 23, 2021	Thursday
14.	Last date for filing the Report with SEBI	December 30, 2021	Thursday
15.	Last date for publication of post Open Offer public announcement in the newspapers in which the DPS has been published	December 30, 2021	Thursday

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

*** As on the date of this DLOF, there has been no competing offer*

Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The 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. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers and Parties to SPA) are eligible to participate in the Offer any time before the closure of the Offer

RISK FACTORS

The risk factors set forth below are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirers. The risk factors set forth below do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in this Offer, but are merely indicative. The Public Shareholders are advised to consult their respective stock brokers, investment consultants, and legal, tax or other advisors of their choice, in order to analyses and understand all the risks with respect to their participation in this Offer.

For capitalised terms used herein please refer to the section on Definitions and Abbreviations set out below.

1. RISKS RELATING TO THE UNDERLYING TRANSACTION:

- The Underlying Transaction (*as defined below*) is subject to the terms and conditions (including fulfillment of conditions precedent agreed therein) in the SPA (*as defined below*), and if these conditions are not satisfied or waived, or any termination event occurs, the Underlying Transaction may be terminated, in accordance with the terms of the SPA. The Underlying Transaction is also subject to completion risks as would be applicable to similar transactions.

2. RISKS RELATING TO THE OFFER

- To the best of the knowledge of the Acquirers, as on the date of this DLOF, there are no statutory approvals required by the Acquirers to complete the acquisition of the Offer Shares under this Offer. However, in case any statutory approvals are required by the Acquirers prior to completion of the Offer, this Offer shall be subject to such approvals being obtained. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirers, the Acquirers may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.
- In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, the Acquirers agreeing to pay interest to the Public Shareholders for delay, at the rate of 10% as specified in Regulation 18(11A) of the SEBI (SAST) Regulations. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirers will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 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.
- 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.
- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to Open offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner does not result in non-marketable lots. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 only.

- 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.
- The Public Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period, in terms of Regulation 18(9) of SEBI SAST Regulations, even if the acceptance of the Equity Shares in this Open Offer and/or dispatch of consideration is delayed.
- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, this DLOF and the Letter of Offer, and anyone placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) would be doing so at his/her/its or their own risk.
- This DLOF has not been and is not intended to be filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF who are resident in jurisdictions outside India should inform themselves of and comply with all 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 applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The 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 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.
- For the purpose of disclosures in the PA or DPS or this DLOF in relation to the Target Company and/or the Seller, the Acquirers and Manager have relied on the information published or provided by the Target Company and/or the Seller, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Seller. The Acquirers do not accept any responsibility with respect to any misstatement by the Target Company and/or the Seller, as the case may be, in relation to such information.

3. RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS

- 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.
- The Acquirers and Manager to the open Offer make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
- 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.
- Pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the Listing Regulations, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirers.
- None of the Acquirers or the Manager to open offer will be responsible in any manner for any loss of Offer acceptance documents during transit.
- The Acquirers and the Manager to the open Offer cannot predict the impact of the lockdown (if any) and other

restrictions / concerns on account of the COVID-19 pandemic, on the Offer process.

DISCLAIMER FOR U.S. PERSONS

- The information contained in this DLOF is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This DLOF does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

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

CURRENCY OF PRESENTATION

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

TABLE OF CONTENTS

I.	KEY DEFINITIONS.....	8
II.	DISCLAIMER CLAUSES.....	12
III.	DETAILS OF THE OPEN OFFER.....	13
IV.	OBJECT OF THE OPEN OFFER.....	17
V.	BACKGROUND OF THE ACQUIRERS.....	19
VI.	BACKGROUND OF THE TARGET COMPANY.....	22
VII.	OFFER PRICE AND FINANCIAL ARRANGEMENTS.....	26
VIII.	TERMS AND CONDITIONS OF THE OPEN OFFER.....	29
IX.	PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER.....	32
X.	NOTES ON TAXATION.....	40
XI.	DOCUMENTS FOR INSPECTION.....	48
XII.	DECLARATION BY THE ACQUIRERS.....	49

I. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer 1	Mr. Samir Choksi
Acquirer 2	Choksi Asia Private Limited (Formerly Known as Hi-Tech Imaging Private Limited)
Acquirers	Acquirer 1 and Acquirer 2, collectively
Acquisition Window	Stock exchange mechanism made available by the Stock Exchanges in the form of a separate window to implement the Offer, as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016
AOP	Association of Persons
BOI	Body of Individuals
Board/Board of Directors	Board of directors of the Target Company
BSE / Stock Exchange	BSE Limited
Buying Broker	Stock broker appointed by Acquirers for the purpose of this Open Offer i.e. Nikunj Stock Brokers Limited
Companies Act	The Companies Act, 2013 as amended, substituted or replaced from time to time.
CDSL	Central Depository Services Limited
CIN	Company Identification Number
Clearing Corporation	Indian Clearing Corporation Limited and/or the National Securities Clearing Corporation
Current Voting Share Capital	shall mean the total voting equity share capital of the Target Company carrying voting rights as on the date of this Public Announcement (PA).
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirers dated October 06, 2021 in the newspapers: Financial Express Newspaper (English - All editions), Jansatta Newspaper (Hindi -All editions), Financial Express Newspaper (Gujarat- Ahmedabad Edition), Janadesh Newspaper (Gujarat- Silvassa- Cover Dadra Nagar Haveli) and Pratahakal Newspaper (Regional - Mumbai edition)
DIN	Director Identification Number
DP	Depository participant
Draft Letter of Offer/DLOF	This Draft Letter of Offer dated 13 October, 2021 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)/Share(s)	Fully paid-up equity shares of the Target Company with face value of Rs. 10/- (Rupees Ten only) each.
Equity Share Capital	The Issued, Subscribed and paid-up Share Capital of the Target Company as on the date of this Draft Letter of Offer, i.e., 39,00,000 (Thirty-Nine Lakhs) Equity Shares of face value Rs. 10 /- (Rupees

	Ten only) each
Escrow Account	The account named “Choksi Asia Private Limited - Open Offer Escrow Account” opened by the Acquirers with the Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Escrow Agent/Escrow Bank	The ICICI Bank Limited, a banking corporation incorporated under the provisions of Companies Act, 1956 and having its Registered Office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Gujarat, Pin-390 007, Gujarat, India and acting for the purpose of the said agreement through its branch situated at ICICI Bank Limited, Capital Market Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400020
Escrow Agreement	Escrow agreement dated October 01, 2021 entered into by the Acquirers, Escrow Bank and Manager to the Open Offer
Escrow Amount	The amount aggregating to Rs.3,54,90,000/- (Rupees Three Crore Fifty-Four Lakhs Ninety Thousand Only) maintained by the Acquirers with the Escrow Agent in accordance with the Open Offer Escrow Agreement
ESOPs	Employee stock options
FATCA	Foreign Account Tax Compliance Act
FEMA	Foreign Exchange Management Act, 1999, as amended
FIIIs	Erstwhile 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
FPIs	Foreign Portfolio Investor(s), as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
Form of Acceptance	Form of Acceptance-cum-Acknowledgement, which will be a part of the Letter of Offer
GAAR	General Anti Avoidance Rule
HUF	Hindu Undivided Family
Identified Date	The date falling on the 10 th Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Eligible Shareholders to whom the LOF shall be sent
Income Tax Act/IT Act	The Income-tax Act, 1961, as amended
Indian Rupees or INR	Indian Rupees
IPV	In person verification
KRA	KYC registration agency
KYC	Know your client
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 [●], duly incorporating SEBI’s comments on the DLOF, and including the Form of Acceptance, which shall be dispatched to the Public Shareholders

LTCG	Long Term Capital Gains
MAT	Minimum Alternate Tax
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 3,54,90,000 (Rupees Three Crore Fifty-Four Lakh Ninety Thousand Only)
N.A.	Not Applicable
NEFT	National Electronic Funds Transfer
NOC	No-objection certificate
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
Offer/Open Offer	Open offer for acquisition of up to 10,14,000 (Ten Lakhs Fourteen Thousand) Equity Shares representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company at the Offer Price, payable in cash
Offer Closing Date	Expected date of closure of the Tendering Period, i.e., December 09, 2021
Offer Opening Date	Expected date of commencement of the Tendering Period, i.e., November 26, 2021
Offer Period	Period as defined in the SEBI (SAST) Regulations
Offer Price	Rs. 35/- (Rupees Thirty-Five Only) per Equity Share, payable in cash
Offer Shares	Upto 10,14,000 (Ten Lakhs Fourteen Thousand) Equity Shares, representing 26.00% of the Voting Share Capital
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
OSV	Original seen and verified
PA/Public Announcement	The Public Announcement dated September 29, 2021 issued by the Manager on behalf of the Acquirers, in connection with the Open Offer
PAN	Permanent Account Number
Public Shareholders	shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except: (i) the Acquirers, (ii) parties to the underlying SPA (as defined below) including persons deemed to be acting in concert with such parties to the SPA, as the case may be and (iii) the Promoter and Promoter Group of the Target Company
RBI	Reserve Bank of India
Registrar/Registrar to the Open Offer/Registrar to the Offer	Adroit Corporate Services Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	5,72,050 (Five Lakhs Seventy-Two Thousand & Fifty) Equity Shares which Acquirers has agreed to acquire under the SPA from the Sellers at a price not exceeding INR 35.00 (Rupees Thirty-Five only).
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended

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
Sellers	Manishkumar Mehta, Ninja Securities Private Limited, Banhem Stock Broking Private Limited, Manishkumar Mehta HUF, Kashmira Manish Mehta, collectively referred as Sellers
Selling Broker	Respective stock brokers of all Public Shareholders who desire to tender their Shares under the Open Offer
Share Purchase Agreement/SPA	Share Purchase Agreement dated September 29, 2021, executed between the Acquirers and the Sellers to acquire 5,72,050 (Five Lakhs Seventy-Two Thousand & Fifty) Equity Shares (“SPA Shares”) representing 14.67% of fully paid-up equity share capital and Voting Share Capital of the Target Company at a price of Rs. 35.- (Rupees Thirty-Five only) per Equity Share aggregating to Rs. 2,00,21,750/- (Rupees Two Crores Twenty-One Thousand Seven Hundred & Fifty only).
STCG	Short Term Capital Gains
Stock Exchange	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE
STT	Securities Transaction Tax
Target/Target Company	Choksi Imaging Limited
Transaction	Collectively, the Underlying Transaction and the Open Offer
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Underlying Transaction	The acquisition of Sale Shares in terms of the SPA, as has been defined in point 2 of Section III(A) (<i>Background to the Open Offer</i>) of this Draft Letter of Offer
Voting Share Capital	shall mean the total voting equity share capital of the Target Company carrying voting rights expected as on the 10 th working day from the closure of the tendering period under this Offer.
Working Day(s)	Shall have the same meaning ascribed to it in 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.*

II. DISCLAIMER CLAUSES

A. SEBI DISCLAIMER

“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 OCTOBER 13, 2021 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.”

B. 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 Acquirers and the Manager to the Open Offer and any deemed persons acting in concert with the Acquirers 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 Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched by electronic means to all Public Shareholders whose name appears on the register of members of the Target Company, as of the Identified Date and who have registered their email ids with the Depositories and/or the Target Company. However, receipt of the PA, the DPS, this DLOF, the Letter of Offer or any other advertisement / publications made or delivered in connection with the Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the PA, the DPS, this DLOF, the Letter of Offer and/or any other advertisement / publications made or delivered in connection with the Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no Public Shareholder in such a jurisdiction may tender his, her or its Equity Shares in this Offer.

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

provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

III. DETAILS OF THE OPEN OFFER

A. Background to the Open Offer

1. This Open Offer is a mandatory offer being made in compliance with Regulation 3(2) and other applicable provisions of the SEBI (SAST) Regulations, pursuant to execution of the SPA between the Acquirers and the Sellers, on September 29, 2021.
2. The Acquirers has entered into the SPA with the Sellers on September 29, 2021, pursuant to which the Acquirers has agreed to acquire 5,72,050 (Five Lakhs Seventy-Two Thousand & Fifty) fully paid-up Equity Shares (“Sale Shares”) of Rs. 10/- (Rupees Ten Only) each representing 14.67% of the Voting Equity Share Capital of the Target Company at a Price of Rs. 35/- (Rupees Thirty-Five Only) per Equity Share aggregating to Rs. 2,00,21,750/- (Rupees Two crore Twenty-One Thousand Seven Hundred and Fifty Only), subject to such terms and conditions as mentioned in the SPA (“Underlying Transaction”). The consideration for the Sale Shares shall be paid in cash by the Acquirers.
3. Acquirer 1 is part of existing promoter and promoter group of the Target Company. Acquirer 1 holds 4975 fully paid-up Equity Shares representing 49.75% of Acquirer 2 and is in control of Acquirer 2.
4. Details of the Underlying Transaction pursuant to the Share Purchase Agreement is set out below:

Details of underlying transaction ⁽³⁾							
Type of transaction (direct / indirect)	Mode of transaction (Agreement/ Allotment/ market purchase)	Equity Shares/ Voting rights acquired/ proposed to be acquired		Total Consideration for equity shares/ acquired	Mode of payment (Cash/ securities)	Regulation which has triggered	
		Number	% of total Equity/ Voting Share Capital				
Direct	Share Purchase Agreement dated September 29, 2021 entered between Acquirers and the Sellers (“SPA”) ^{(1) (2)}	5,72,050	14.67% of Voting Share Capital	Rs. 2,00,21,750	Cash	Regulation 3 (2) and 4 of SEBI (SAST) Regulations, 2011	

Notes:

- 1) Acquirer 1 is one of the Promoter of the Target Company and holds 2.22% of the Current Voting Capital. Acquirer 1 holds 49.75% of the equity share capital of Acquirer 2 and the balance shares of Acquirer 2 is held by the immediate relatives of Acquirer 1.
- 2) The Promoter & Promoter Group is holding 41.03% of the Current Voting Capital of the Target Company as on June 30, 2021.
- 3) Upon completion of the Underlying Transaction, the Promoter & Promoter group holdings will be 55.70% of Current Voting Share Capital of the Target Company.

5. The details of the Sale Shares being sold under the SPA are set out below:

Name of Selling Shareholders/ Sellers	Number of Sale Shares ⁽¹⁾	Percentage of Equity Share Capital ⁽²⁾
Manishkumar Sumatila Mehta	1,96,741	5.04%
Ninja Securities Private Limited	2,36,401	6.06%
Banhem Stock Broking Private Limited	42,453	1.09%

Manishkumar Mehta HUF	60,626	1.55%
Kashmira Manish Mehta	35829	0.92%
Total	5,72,050	14.67%

Notes:

(1) Please refer to Section III point A sub-point 2 & 4 of this DLOF regarding acquisition of Sale Shares by the Acquirers.

(2) Calculated as a percentage of the Current Voting Share Capital, i.e. the total equity share capital of the Target Company outstanding as on the date of the PA

6. This Offer is a mandatory offer being made under Regulation 3(2) and other applicable provisions of the SEBI (SAST) Regulations and is not a conditional offer.
7. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
8. As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company shall constitute a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.
9. There may be changes in the composition of board of directors of the Target Company after the completion of Offer, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations and Regulation 24 of the SEBI (SAST) Regulations), pursuant to which the Acquirers may be in control of the Target Company. No proposal in this regard has been finalized as on the date of this DLOF.
10. The Acquirers does not have any nominee directors or representatives on the board of directors of the Target Company as on the date of this DLOF. Acquirer 1 resigned from his directorship from the Board of Directors of the Target Company w.e.f. August 31, 2021.
11. The Promoter and Promoter Groups presently holds 41.03% of the Current Voting Share Capital of the Target Company as on June 30, 2021. Assuming full acceptance under the Open Offer and underlying transactions contemplated under the SPA, the Promoter and Promoter Group holding will be 81.70% of the Current Voting Share Capital of the Target Company. The public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the SCRR read with SEBI (LODR) Regulations. In such an event, the Acquirers will ensure compliance with the minimum public shareholding requirements in the manner and timeline prescribed under applicable law.
12. The Acquirers confirm that as on the date of this DLOF they have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any regulations made under the SEBI Act.
13. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company.
14. The SPA also set forth the terms and condition on which the Sellers has agreed to sell, and the Acquirers has agreed to purchase the Sale shares and the respective rights and obligations of the Sellers and the Acquirers in this respect.
15. **The salient feature of the Share Purchase Agreement (“SPA”) dated September 29, 2021 are as under:**
 - i. The Sellers have agreed to sell and transfer to the Acquirers and the Acquirers 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 Acquirers and the payment of the Purchase Consideration by the Acquirers 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, the Acquirers shall pay their proportion of the Purchase Consideration to the Sellers, in proportion to the number of Sale Shares being sold by them, in accordance with the terms and conditions of this Agreement.
- iv. The mode of payment of consideration for the Acquisition of the Sales shares by the Acquirers is in cash.
- v. The Acquirers may complete the acquisition of Equity Shares at the expiry of twenty-one working days from the date of Detailed Public Statement of this Open Offer as per regulation 22(2) of SEBI (SAST) Regulations.
- vi. The parties agree that the obligation of the Acquirers 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 SEBI (SAST) Regulations.
- viii. The object and purpose of acquisition of Sale Shares by the Acquirers is to 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.

B. Details of the proposed Offer

1. The Public Announcement in relation to the Open Offer was filed with the Stock Exchange and SEBI on September 29, 2021. The copy of the Public Announcement was sent to the Target Company and SEBI on September 30, 2021. A copy of the PA is available on the website of SEBI at www.sebi.gov.in.
2. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement was published on October 06, 2021 in the following newspapers

Newspaper	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Janadesh	Gujarat (Dadra Nagar Haveli)	Silvassa edition
Pratahakal	Marathi	Mumbai edition

A copy of the DPS is available on the website of SEBI at www.sebi.gov.in.

3. This Open Offer is being made by the Acquirers to the Public Shareholders to acquire up to 10,14,000 (Ten Lakhs Fourteen Thousand) Equity Shares (“**Offer Shares**”) constituting 26% (twenty six percent) of the Voting Share Capital (“**Offer Size**”), at a price of Rs.35/- (Rupees Thirty-Five only) per Equity Share (“**Offer Price**”), which has been calculated in accordance with Regulation 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of Rs.3,54,90,000/- (Rupees Three Crores Fifty-Four Lakhs Ninety Thousand) (“**Maximum Open Offer Consideration**”), subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and to be set out in the Letter of Offer that is proposed to be issued in accordance with the applicable provisions of the SEBI (SAST) Regulations, after incorporating the comments of SEBI, if any, on the Draft Letter of Offer.
4. As on the date of this Draft Letter of Offer, 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, including employee stock options and restricted stock units), issued by the Target Company.
5. There is no differential pricing for this Open Offer.
6. The Offer Price has been arrived in accordance with Regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirers in accordance with the SEBI (SAST) Regulations will be Rs.3,54,90,000/- (Rupees Three Crores Fifty-Four Lakhs Ninety Thousand).
7. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST)

Regulations.

8. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations
9. 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.
10. The Acquirers have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. September 29, 2021) and the date of this DLOF.
11. There has been no competing offer, as on the date of this DLOF.
12. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (One) only.
13. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
14. The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
15. As on the date of this DLOF, to the best of the knowledge of the Acquirers, there are no statutory or other approvals required by the Acquirers to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirers at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SPA, are not satisfied, for reasons outside the reasonable control of the Acquirers, the Acquirers shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
16. If Public Shareholders who are not persons resident in India (including NRI, OCB and FIIs / FPIs), had required any approvals (including from the RBI, or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers reserve their right to reject such Equity Shares tendered in this Open Offer. There are no conditions as stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.
17. Where any statutory 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 Open Offer in accordance with Regulation 18(11) of the SEBI (SAST) Regulations
18. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, subsequent to the completion of the Offer, the Acquirers reserve the right to streamline/restructure the operations, assets, liabilities and / or businesses of the Target Company and through arrangement / reconstruction, restructuring, merger, demerger and/or sale/lease of assets or business or undertakings, at a later date. The Acquirers may also consider disposal of or otherwise encumbering any assets or investments of the Target Company,

through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company whether within or outside the ordinary course of business, to improve operational efficiencies and for other commercial reasons. The Acquirers of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

Except as disclosed in the DPS and DLOF / LOF, if the Target Company, Acquirers intend to alienate any material asset of the Target Company or any of its subsidiaries outside the ordinary course of business within a period of 2 years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2) of the SEBI (SAST) Regulations, 2011, to the extent applicable.

19. In terms of regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”) read with Rule 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, (the “SCRR”), as amended from time to time, the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Open Offer, pursuant to the Share Purchase Agreement and/or during the Offer period (if any), the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws.
20. The Acquirers has appointed Fedex Securities Private Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of this DLOF and is not related to the Acquirers and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period
21. If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

IV. OBJECT OF THE OPEN OFFER

1. The prime objective of the Acquirers for undertaking the Underlying Transaction and the Open Offer is to 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.
2. Following the completion of the Open Offer, the Acquirers proposed to extend support to continue and expand the existing business activities through exercising effective management over the Target Company. However, the Acquirers do not have any definitive plan as on the date of this Draft Letter of Offer. The manufacturing facilities of the Target Company has discontinued its current business operations. The Acquirers proposes to continue with the existing activities.
3. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, subsequent to the completion of the Offer, the Acquirers reserve the right to streamline/restructure the operations, assets, liabilities and / or businesses of the Target Company and through arrangement / reconstruction, restructuring, merger, demerger and/or sale/lease of assets or business or undertakings, at a later date. The Acquirers may also consider disposal of or otherwise encumbering any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company whether within or outside the ordinary course of business, to improve operational efficiencies and for other commercial reasons. The Acquirers of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

Except as disclosed in the DPS and DLOF / LOF, if the Target Company, Acquirers intend to alienate any material asset of the Target Company outside the ordinary course of business within a period of 2

years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2) of the SEBI (SAST) Regulations, 2011, to the extent applicable.

4. Shareholding and Acquisition Details

The current and proposed shareholding of the Acquirers in the Target Company and the details of their acquisition are as follows:

Details		Acquirer 1	Acquirer 2	Total
Name of Acquirers		Mr. Samir Choksi ⁽¹⁾	Choksi Asia Private Limited (Formerly Known as Hi-Tech Imaging Private Limited)	2
Address		Mukti Jaihind Society, N S Road 12 JVPD Scheme, Juhu, Mumbai - 400049, Maharashtra, India	Ground Floor, Choksi Bhuvan Nehru Road & Nariman Road, Vile Parle East Mumbai 400057, Maharashtra, India.	--
Name(s) of persons in control/promoters of Acquirer and PAC		NA	Samir Choksi is director of Choksi Asia Private Limited	--
Name of the Group, if any, to which the Acquirers belong to		NA	NA	--
Pre transaction shareholding	No. of Equity Shares	86,565	Nil	--
	% of total equity / voting capital	2.22%	Not Applicable	
Proposed shareholding after acquisition of shares which triggered the Open Offer	No. of Equity Shares	5,72,050 ⁽²⁾		
	% of total equity / voting capital	14.67% of the Voting Share Capital		
Proposed shareholding after the acquisition of shares (including Offer Shares assuming full acceptance) which triggered the Open Offer ⁽¹⁾	No. of Equity Shares	16,72,615		
	% of total equity / voting capital	42.89 % of the Voting Share Capital		
Any other interest in the Target Company		Acquirer 1 is disclosed as one of the existing promoters of the Target company	Acquirer 2 is controlled & promoted by the Acquirer 1	

Notes:

(1) The Promoter and Promoter Group presently holds 41.03% of the Current Voting Share Capital of the Target Company as on June 30, 2021. Assuming full acceptance under the Open Offer the Promoter and Promoter Group holding will be 81.70% of the Current Voting Share Capital of the Target Company

(2) The Acquirers will acquire an aggregate of 5,72,050 (14.67%) of the Equity Shares from the Sellers as per the split provided in the Share Purchase Agreement (SPA).

V. BACKGROUND OF THE ACQUIRERS

A. Mr. Samir Choksi (“Acquirer 1”):

1. Mr. Samir Choksi, is an individual aged 57 son of Late Shri Kanubhai Choksi, residing at Mukti Jaihind Society, N. S. Road, 12 JVPD Scheme, Juhu, Mumbai - 400049, Maharashtra, India.
2. As on the date of this DLOF, Mr. Samir Choksi holds 86,565 shares representing 2.22% of the Current Voting Share Capital. Acquirer 1 is a part of existing promoter and promoter group of the Target Company. Acquirer 1 has resigned from his directorship from the Board of Directors of the Target Company w.e.f. August 31, 2021.
3. Acquirer 1 holds a Diploma in Automobile Engineering. Acquirer 1 have experience of about 30 years in the business of industrial X ray film and accessories thereof
4. The telephone number of the Acquirer 1 is 022 2610 1113, and his Email id is: choksindt.samir@gmail.com
5. As on the date of this DLOF, Acquirer 1 holds 4,975 fully-paid equity shares of Acquirer 2 representing 49.75%. Acquirer 1 is the also the Director of Acquirer 2 and is in control of Acquirer 2.
6. Acquirer 1 is not part of any group.
7. Mr. K R Parikh Partner (Membership No. 036517) at M/s. Parikh & Amin Associates, Chartered Accountants (FRN: 107520W) has certified that the Net worth of Acquirer 1 as on September 29, 2021 is Rs. 7,57,77,420 (Indian Rupees Seven Crore Fifty-Seven Lakhs Seventy-Seven Thousand Four Hundred and Twenty only).
8. Acquirer 1 have also been complied with chapter V of SEBI SAST Regulations, 2011 (or Chapter II of the SEBI Takeover Regulations, 1997 within the time specified in the Regulation
9. As on the date of this DLOF, Acquirer 1 has sufficient resources to fulfil the obligations under this Offer.
10. As on the date of this DLOF, Acquirer 1 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.
11. As on the date of this DLOF, Acquirer 1 has not been categorized as a ‘willful defaulters’ issued by any bank or financial institution, or consortium thereof in accordance with guidelines on willful defaulters issued by Reserve Bank of India.
12. As on the date of this DLOF, Acquirer 1 has not been categorized as a “Fugitive Economic Offender” who is declared as fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018.
13. Acquirer 1 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.
14. 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 Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
15. As on the date of this DLOF, the Acquirer 1 does not have any major contingent liabilities.

B. Choksi Asia Private Limited (Formerly known as Hi-Tech Imaging Private Limited) (“Acquirer 2”):

1. Choksi Asia Private Limited, Acquirer 2 was originally incorporated as a private limited company in the name and style of *Hi-Tech Imaging Private Limited* under the provisions of the Companies Act, 1956 on March 08, 2007 issued by Registrar of Companies, Maharashtra, Mumbai. Further, the name was changed to Choksi Asia Private Limited and a fresh certificate of incorporation was issued on December 05, 2020 by the Registrar of Companies, Mumbai. The Corporate Identity Number of Acquirer 2 is **U93090MH2007PTC168500**.
2. The Registered Office of Acquirer 2 is situated at Ground Floor, Choksi Bhuvan Nehru Road & Nariman Road, Vile Parle East Mumbai - 400057, Maharashtra, India.
3. The telephone number of the Acquirer 2 is 022 2610 1113, and its Email id is: choksindt.samir@gmail.com

4. Acquirer 2 is not part of any group.
5. Acquirer 2 is engaged in the business of trading in industrial X-ray films and accessories thereof.
6. The Authorized Share Capital of Acquirer 2 is Rs. 1,00,000/- (Rupees One Lakhs only) divided into 10,000 (Ten Thousand) Equity Shares of having face value of Rs 10/- (Rupees Ten only) each. The Paid-up share capital of Acquirer 2 as on the date of this DLOF is Rs 1,00,000/- (Rupees One Lakhs Only) divided into 10,000 (Ten Thousand) Equity Shares of having face value of Rs 10/- (Rupees Ten only) each.
7. The details of the Board of Directors of the Acquirer 2 as on the date of this Draft Letter of Offer, are as follows:

Sr No.	Name of the Director	Designation	Qualification & Experience	Date of Appointment	DIN
1	Samir Choksi (Acquirer 1)	Director	Qualification: Diploma in Automobile Engineering Experience: 30 years	March 08, 2007	00049416
2	Bindu Choksi (wife of Acquirer 1)	Director	Qualification: B.Sc. in Chemistry Experience: 30 years	March 08, 2007	00286875
3	Jay Choksi (son of Acquirer 1)	Director	Qualification: BMS Experience: 5 years	April 10, 2014	07151509

8. The shareholding pattern of Acquirer 2 as on date of this DLOF is as under:

Sr No.	Name of Shareholders	No of Equity Shares having face value of Rs 10 each	Percentage %
Promoters/ Person in Control			
1	Samir Choksi (Acquirer 1)	4,975	49.75
2	Samir Kanubhai Choksi HUF	05	0.05
3	Bindu Choksi (wife of Acquirer 1)	4,980	49.80
4	Raj Choksi (son of Acquirer 1)	10	0.1
5	Kruti Choksi (daughter in law of Acquirer 1)	10	0.1
6	Jay Choksi (son of Acquirer 1)	10	0.1
7	Priyam Choksi (daughter in law of Acquirer 1)	10	0.1
Total		10,000	100.00

9. As on the date of this DLOF, there are no directors on the Board of the Target Company representing Acquirer 2.
10. The Equity shares of Acquirer 2 are not listed on any Stock Exchanges in India or overseas.
11. As on the date of this DLOF, Acquirer 2 does not hold any Equity Shares in the Target Company. The interest of the Director of Acquirer 2 in the Target Company is mentioned in the table below:

Name of Directors	Pre-Transaction shareholding		Any other Interest in the Target company
	Number	% of Total Voting share capital	
Samir Choksi (Acquirer 1)	86,565	2.22%	Acquirer 1 is a part of existing promoter and promoter group of the Target Company
Bindu Choksi	Nil	-	Nil
Jay Choksi	Nil	-	Nil

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 2 (“Deemed PACs”), such Deemed PACs are not acting in concert with Acquirer 2 for the purposes of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
13. As on the date of this DLOF, Acquirer 2 has not been prohibited by SEBI, from dealing in securities in terms of directions issued under Section 11B of Securities and Exchange Board of India Act, 1992 (“SEBI Act”) as amended or under any regulation made under the SEBI Act.
14. As on the date of this DLOF, neither Acquirer 2 nor any of its promoters, Directors & Key Managerial Personnel has been categorized or declared (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
15. Mr. Amin Fidai, Partner (Membership No. 040427) at M/s. Parikh & Amin Associates, Chartered Accountants (FRN: 107520W) has certified as on September 29, 2021 that the net worth of Acquirer 2 is Rs. 9,64,82,261 (Rupees Nine Crores Sixty-Four Lakhs Eighty-Two Thousand Two Hundred and Sixty-One only).
16. As on the date of this DLOF, Acquirer 2 has sufficient resources to fulfil the obligations under this Offer.
17. The key financial information of Acquirer 2 based on its audited financial statements as at and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021 and unaudited financial information as at and for the 3 months period ended June 30, 2021 (limited reviewed by Statutory Auditors of Acquirer 2) is as below:

(in Rs Lakhs, except for earnings per share)

Particulars	For period ended June 30, 2021	March 31, 2020	March 31, 2019	March 31, 2018
	(Unaudited, limited review)	Audited	Audited	Audited
Profit & Loss Statement				
Revenue from operations	750.62	2049.17	1240.87	949.69
Other Income	0.00	136.56	83.13	145.59
Total Income	750.62	2185.74	1324.01	1095.28
Total Expenditure	654.93	1877.48	1189.11	898.71
Profit before Depreciation, Interest & Tax	95.69	308.25	134.89	196.56
Depreciation		9.53	8.31	9.61
Finance costs	0.00	0.00	0.00	0.00
Profit / (Loss) before Tax	95.69	298.72	126.58	186.95
Provision for Tax (inc Deferred tax & Tax for earlier years)	0.00	(49.30)	(35.43)	(30.27)
Profit / (Loss) after Tax	95.69	249.42	91.15	156.68

Balance Sheet Statement				
Sources of Funds				
Paid up share capital	1.00	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves)	957.82	803.29	554.22	462.10
Net Worth	958.82	804.29	555.22	463.10
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	670.48	664.27	679.73	681.73
Total	1629.30	1468.56	1234.95	1144.83
Uses of Funds				
Net Fixed Assets	35.47	25.94	35.13	36.02
Investments	0.00	0.00	0.00	0.00
Net Current Assets	1593.83	1442.62	1199.82	1108.81
Total Miscellaneous Expenditure not written off	0.00	0.00	0.00	0.00
Total	1629.30	1468.56	1234.95	1144.83
Other Financial Data				
Dividend (%)				
Earnings Per Equity Share	956.9	2494.2	911.5	1566.8

#Total Income includes revenues from operations and other income

\$ Networth=Equity Capital+ Reserves and Surplus (excluding revaluation reserves)

(Source: Certificate dated September 29, 2021 issued by K R Parikh Chartered Accountant (Membership Number 036517), Partner at Parikh & Amin Associates, Chartered Accountants (Firm Registration Number: 107520W))

18. As on the date of this DLOF, Acquirer 2 does not have any major contingent liabilities.

VI. BACKGROUND OF THE TARGET COMPANY

Choksi Imaging Limited (“Target Company”):

- The Target Company is a public limited company incorporated under the provisions of the Companies Act, 1956 on October 01, 1992. The Target Company was incorporated under the name Selvas Photographics Limited on October 01, 1992, which was subsequently changed to Choksi Imaging Limited on September 14, 2004.
- The Registered Office of the Target Company is situated at Survey No.121, Plot No 10, Silvassa Industrial Est, 66 KVA Road, Aml, Silvassa, Dadra & Nagar Haveli, 396230. Tel. No. 026 0264 2240, The CIN of the Target Company is **L24294DN1992PLC005560**.
- The shareholders of the Target Company approved the resolution passed through Postal ballot on June 30, 2021 for change in registered office of the company from the Union Territory of Dadra & Nagar Haveli to the state of Maharashtra which falls outside state jurisdiction of existing Registrar of Companies (RoC) The Status of the application before the Regional Director, Ahmedabad as on date is pending.
- The Target Company was engaged in the business of X-ray film and other products of Healthcare Industry. The Target Company vide resolution of its Board of Directors dated March 22, 2021 ceased to carry on any business activities.
- Equity Shares of the Target Company are listed on BSE Ltd (Scrip Code: 530427). The ISIN of the Equity Shares of the Target Company is INE865B01016, and Security ID BSE: CHOKSI. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.

6. The Equity Shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations 2011 on BSE.
7. As on date of this DLOF, the trading in Equity Shares of the Target Company is not suspended at BSE. The trading in Equity Shares of Target Company is under X Group & under ASM ST – Stage 1.
8. As on the date of this DLOF, the Authorised share capital of the Target company is Rs 15,00,00,000/- (Rupees Fifteen Crores Only) consisting of 1,50,00,000 (One Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each. The issued, subscribed and fully paid-up share Capital of the Target company is Rs 3,90,00,000 (Rupees Three Crores Ninety Lakhs Only) consisting of 39,00,000 (Thirty-Nine Lakhs) Equity Shares of Face Value Rs. 10/- (Rupees Ten Only) each.
9. As on the date of the 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, including employee stock options and restricted stock units), issued by the Target Company.

Paid-up Equity Shares of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid-up Equity Shares	39,00,000	100%
Partly paid-up equity shares	NIL	NIL
Total paid-up Equity Shares	39,00,000	100%
Total voting rights in the Target Company	39,00,000	100%

10. The key financial information of the Target Company based on its audited financial statements as at and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021 and the unaudited financial information as at and for the three months period ended June 30, 2021 which have been subject to Limited reviewed by Statutory Auditor of Target company is as below

(in Rs Lakhs, except for other financial data)

Particulars	For period ended June 30, 2021	March 31, 2020	March 31, 2019	March 31, 2018
	(Unaudited, limited review)	Audited	Audited	Audited
Profit & Loss Statement				
Revenue from operations	88.10	1116.13	1600.04	1733.16
Other Income	15.05	457.81	106.07	163.79
Total Income	103.15	1573.94	1706.11	1896.95
Total Expenditure	155.94	1284.76	1741.77	1775.21
Profit before Depreciation, Interest & Tax	(52.79)	289.18	(35.66)	121.74
Depreciation	4.19	18.60	17.48	21.21
Finance costs	0.00	0.00	0.00	0.00
Profit / (Loss) before Tax	(56.98)	270.58	(53.14)	100.53
Provision for Tax (including Deferred tax & Tax for earlier years)	(1.69)	79.78	2.42	14.96
Profit / (Loss) after Tax	(55.29)	190.80	(55.56)	85.57
Balance Sheet Statement				
Sources of Funds				
Paid up share capital	39.00	39.00	39.00	39.00

Reserves & Surplus (excluding revaluation reserves)	1297.53	1352.89	1162.32	1241.66
Net Worth	1687.53	1742.89	1552.32	1631.66
Secured Loans	0.00	0.00	0.00	0.00
Unsecured Loans	0.00	0.00	0.00	0.00
Total	1687.53	1742.89	1552.32	1631.66
Uses of Funds				
Net Fixed Assets	608.24	612.28	733.80	750.61
Investments	18.57	78.03	686.82	292.59
Net Current Assets	1060.72	1052.58	131.70	588.46
Total Miscellaneous Expenditure not written off	0.00	0.00	0.00	0.00
Total	1687.53	1742.89	1552.32	1631.66
Other Financial Data				
Dividend (%)	-	2.50	-	0.50
Earnings Per Equity Share	(1.42)	4.89	(1.42)	2.19

#Total Income includes revenues from operations and other income

\$ Networth=Equity Capital+ Reserves and Surplus (excluding revaluation reserves)

(Source: Certificate dated October 05, 2021 issued by Karia & Shah Chartered Accountant (Membership Number 042529), Partner at Karia & Shah, Chartered Accountants (Firm Registration Number: 112203W))

11. Details of contingent liabilities in the Target company (as disclosed in the financial statements of the Target Company):

Sr No	Particulars	Amounts in Lakhs
1.	Guarantee Margin	30.56
2.	Claim not acknowledged by Target company Duty & Penalty (refer Note 1)	1574.64
3.	Executive (Penalty for custom duty to be indemnity by the Target company) (refer Note 2)	75.00

Note:1) The Target Company had received copy of order passed by The Commissioner of customs (Nhava-Sheva-general), JNCH denying and demanding for recovery of the amount of benefit of exemption from Special Additional Duty (SAD) availed for the year 2011-12, 2012-13 & 2013-14 by the Company Pursuant to Notification No.45/ 2005- Custom dated 16.05.2005 along with penalty of equivalent amount. The Company has filed appeal before the Hon'ble Customs, Excise, Service Tax Appellate Tribunal - West Zone, Mumbai and expected favourable outcome for the same.

2) The Company has also passed resolution dated August 04, 2015 to indemnify Executive of the Company for the same.

12. There are no outstanding shares of the Target Company that have been issued but not listed on BSE.
13. The trading of the Equity Shares of the Target Company is currently not suspended on BSE. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
14. There has been no merger, de-merger and spin off in the last three years in the Target Company.
15. None of the Equity Shares of the Target Company are currently locked-in.
16. As on the date of this Draft Letter of Offer, the composition of the board of directors of the Target Company is as follows:

Name of Director	DIN	Designation	Date of Appointment/Re-Appointment
Himanshu Kishnadwal	00006822	Independent Director	26/10/2002
Gaurav Choksi	00049445	Managing Director	31/08/2021
Tushar Parikh	00049287	Director	01/10/1992
Naimish Choksi	00049397	Whole Time Director	01/09/2007
Sunil Choksi	00049466	Whole Time Director	25/09/2021
Tushar Choksi	00049482	Whole Time Director	25/09/2021
Shamanthakamaniprakash Sagarkatte	06898477	Independent Director	28/06/2014

17. The shareholding pattern of the Target Company before (as on the date of this Draft Letter of Offer) and after the Open Offer is as follows:

	Shareholding & voting rights prior to the agreement/acquisition on and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and the Open Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	% ⁽⁶⁾	No	% ⁽⁶⁾	No	% ⁽⁶⁾	No	% ⁽⁶⁾
(1) Promoter Group								
(a) Parties to agreement, if any								
Samir Choksi (Acquirer 1)	86,565	2.22%	5,72,050 ⁽¹⁾	14.67% ⁽¹⁾	10,14,000	26.00%	16,72,615	42.89%
Choksi Asia Private Limited (Acquirer 2)	Nil	Nil						
(b) Promoters other than (a) above	15,13,799	38.82%	Nil	Nil	Nil	Nil	15,13,799	38.82%
Total 1(a+b)	16,00,364	41.03%	5,72,050	14.67%	10,14,000	26%	31,84,414	81.70%
(2) The Acquirer and PAC ⁽³⁾								
(a) Acquirers								
(3) Parties to Agreements other than (1)(a) & (2)								
Sellers	5,72,050 ⁽²⁾	14.67% ⁽²⁾	(5,72,050) ⁽²⁾	(14.67%) ⁽²⁾	Nil	Nil	Nil	Nil

(4) Public (other than parties to the agreement, acquirers & PAC) ⁽⁴⁾								
(a) FIs/MFs/FPIs/FIIs /Banks, SFIs, Insurance Companies/AIFs	15,36,140	39.39%	-	-	(10,14,000)	(26.00%)	7,13,586	18.30%
(b) Others ⁽⁵⁾	1,91,446	4.90%	-	-				
(c) Employee stock options considered for determining Voting Share Capital	Nil	Nil	-	-	-	-	-	-
Total (4) (a+b+c)	17,27,586	44.30%	-	-	(10,14,000)	(26.00%)	7,13,586	18.30%
Grand total (1+2+3+4)	39,00,000	100%	(5,720,50)	(14.67%)	(10,14,000)	(26.00%)	39,00,000	100%

Notes:

- The Acquirers has entered into the SPA with the Seller, pursuant to which the Acquirers has agreed to acquire an aggregate of 5,72,050 (Five Lakhs Seventy-Two Thousand & Fifty) Equity shares representing 14.67% of the Voting Share Capital of the Target company in accordance with the terms of the SPA.
 - As on date of this Draft Letter of Offer, the Sellers (i.e., Manishkumar Sumatilal Mehta, Ninja Securities Private Limited, Banhem Stock Broking Private Limited, Manishkumar Mehta HUF & Kashmira Manish Mehta) collectively holds share 5,72,050 (Five Lakhs Seventy-Two Thousand & Fifty) Equity shares representing 14.67% of the Voting Share Capital of the Target company. Such Equity Shares form part of the Sale Shares proposed to be sold by the Seller to the Acquirers, under the SPA, and as per the terms of the SPA.
 - Acquirer 1 hold 86,565 (Eighty-Six Thousand Five Hundred & Sixty-Five) Equity share in the Target company and is existing part of promoter & promoter group of the Target company. Accordingly, their shareholding in the Target Company has been disclosed already as part of shareholding of promoter and promoter group, in Point 1 of this shareholding pattern, and has accordingly not been disclosed again under the Acquirer and PAC category under Point 2 of this shareholding pattern. As on date of this DLOF, Acquirer 2 does not hold any Equity Shares of the Target Company.
 - Based on the shareholding pattern for the quarter ended June 30, 2021, the total number of shareholders in the 'Public' category in Target Company, as on such date, were 2137.
 - The 51,995 (Fifty-One Thousand Nine Hundred & Ninety-Five) Equity shares of the Target company are held under Investor Education Protection Funds (IEPF) representing 1.33 % of the Voting Share Capital of the Target Company.
 - % calculated on the Voting Share Capital of the Target Company.
18. In terms of regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") read with Rule 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, (the "SCRR"), as amended from time to time, the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Open Offer, pursuant to the Share Purchase Agreement and/or during the Offer period (if any), the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws.

VII. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

- The Equity Shares of the Target Company are listed & traded on BSE only (Security ID BSE: CHOKSI and Security code BSE: 530427 and is under X Group & under ASM ST – Stage 1. The ISIN of the Equity Shares of the Target Company is INE865B01016
- The trading turnover in the Equity Shares, based on trading volume during twelve calendar months preceding the month of PA (i.e. September 01, 2020 to August 31, 2021), is as given below:

Stock Exchange	Total number of equity shares traded for a period of 12 calendar month in which the PA is made	Total number of equity shares of the Target company (weighted average number of total shares)	Traded Shares as a % to total shares
BSE Limited -	11,59,854	39,00,000	29.74%

Source: www.bseindia.com

- Based on above, the Equity Shares of the Target Company are frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations 2011 on BSE.
- The Offer Price of Rs 35/- (Rupees Thirty-Five Only) per fully paid-up Equity Share has been determined as per provision of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, taking into account the following parameters:

Sr. No	Particular	Amount
A.	Negotiated Price per Equity Share under the Share Purchase Agreement attracting the obligation to make a Public Announcement of an open offer;	Rs 35/- per Equity Share
B.	The volume-weighted average price paid or payable for acquisitions by the Acquirer during the fifty-two weeks immediately preceding the date of the Public Announcement.	Not Applicable During the 52 weeks immediately preceding September 29, 2021, there are no such acquisition made by the Acquirer or by any person acting in concert with him
C.	The highest price paid or payable for any acquisition by the Acquirer during the twenty-six weeks immediately preceding the date of the Public Announcement.	Not Applicable During the 26 weeks immediately preceding September 29, 2021, there are no such acquisition made by the Acquirer or by any person acting in concert with him
D.	The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed.	The volume-weighted average market price of the shares of Choksi Imaging Limited for a period of sixty trading days immediately preceding 29/09/2021 is arrived at Rs. 33.09/-* The Equity Shares of Choksi Imaging Limited are listed on BSE and accordingly the market price data as displayed on BSE has been used to arrive at volume-weighted average market price
E.	Since the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	Not Applicable The Equity Shares of the Target Company are Frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations 2011

**As per valuation report dated September 29, 2021 certified by CA Amin Fidai (Membership No. 040427), Partner at Parikh & Amin Associates, Chartered Accountant (FRN: 107520W).*

5. In view of the parameters considered and presented in the table 4 above, the Offer Price, under Regulation 8(2) of SEBI (SAST) Regulations, is Rs 35 (Rupees Thirty-Five Only). Accordingly, the Offer Price is justified in terms of SEBI (SAST) Regulations.
6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this Draft Letter of Offer up to 3 (three) working days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
7. In the event of any acquisition of Equity Shares by the Acquirers during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirers shall not acquire any Equity Shares after the third (3rd) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.
8. As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) and 18 (5) of the SEBI. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall: (i) make corresponding increase to the escrow amount (ii) make public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously notify the Stock Exchange(s), the SEBI and the Target Company at its Registered Office of such revision.
9. If the Acquirers acquires Equity Shares during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

B. Financial Arrangements

1. The total funding requirement for the Open Offer, assuming full acceptance, i.e., for the acquisition of 10,14,000 (Ten Lakhs Fourteen Thousand) Equity Shares at the Offer Price of Rs.35/- (Rupees Thirty-Five) per Equity Share is Rs. 3,54,90,000/- (Rupees Three crores Fifty-Four Lakhs Ninety Thousand Only) (“**Maximum Open Offer Consideration**”).
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers and the Manager have entered into an escrow agreement with ICICI Bank Limited, a banking corporation incorporated under the laws of India, acting through its branch office at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020, Maharashtra, India, and the Acquirers has created an escrow account named “**Choksi Asia Private Limited – Open Offer Escrow Account**” (“**Escrow Account**”) and a special escrow account named “**Choksi Asia Private Limited – Open Offer Special Account**” for the purpose of Regulation 21 of SEBI (SAST) Regulations (“**Special Escrow Account**”).
3. By way of security for performance by the Acquirers of its obligations under the SEBI (SAST) Regulations, the Acquirers has deposited Rs.3,54,90,000 ((Rupees Three crores Fifty-Four Lakhs Ninety Thousand Only) in the Escrow Account. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST)

Regulations, i.e., being an amount equivalent to 100% (Hundred percent) of the Maximum Open Offer Consideration.

4. The Acquirers has authorized the Manager to operate and realize the value of the Escrow Account and the Special Escrow Account in terms of the SEBI (SAST) Regulations.
5. Based on the aforesaid financial arrangements made by the Acquirers and on the confirmations received from the Statutory Auditor of the Acquirer 2 and independent Chartered Accountant for Acquirer 1, the Manager to the Offer is satisfied, (i) about the adequacy of resources to meet the financial requirements of the Open Offer and the ability of the Acquirers to implement the Open Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for the funds and money for payment through verifiable means are in place to fulfill the Open Offer obligations..
6. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirers in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VIII. TERMS AND CONDITIONS OF THE OPEN OFFER

A. Operational Terms and Conditions

1. The Open Offer is being made by the Acquirers to all the Public Shareholders of the Target Company, to acquire up to 10,14,000 Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the Public Announcement, Detailed Public Statement and this Draft Letter of Offer, and the Letter of Offer.
2. This Offer is being made by the Acquirers to (i) all the Public Shareholders, whose names appear in the Register of Members of the Target Company as of the close of business on the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of the business on the Identified Date; (iii) those Public Shareholders who acquire the Equity Shares any time prior to the date of closure of the Tendering Period for this offer i.e. December 09, 2021, but who are not the registered Public Shareholders.
3. The Identified Date for this Open Offer as per the indicative schedule of key activities is November 11, 2021 (Thursday). In terms of the indicative schedule of key activities, the Tendering Period for the Open Offer is expected to commence on November 26, 2021 (Friday) and close on December 09, 2021 (Thursday) (both days inclusive).
4. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
5. The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of SEBI (SAST) Regulations.
6. The Offer is not a competing offer in terms of Regulation 20 of SEBI (SAST) Regulations.
7. The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirers has up to 10th (ten) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
8. The Equity Shares tendered under this Offer shall be fully paid-up, free from all pledges, liens, charges, equitable interests, non-disposal undertakings and any other form of encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirers shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
9. The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirers. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that

they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirers reserve their right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

10. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
11. The locked-in Equity Shares, if any acquired pursuant to the Agreement or tendered in Open Offer, can be transferred to the Acquirers subject to the continuation of the residual lock-in period in the hands of the Acquirers, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and nonlocked-in Equity Shares. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
12. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms and conditions of this Open Offer. The Letter of Offer along with the Acceptance-cum-acknowledgement shall be dispatched (through e-mail) to all the public shareholders of the Target Company, whose names appears on register of members of the Target Company and to the owners of the Equity Shares whose name appears as beneficiaries on the records of the respective Depositories as on the Identified Date. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is also expected to be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.
13. Accidental omission to dispatch the LOF to any Public Shareholder entitled to this Open Offer or non-receipt of the LOF by any Public Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein.
14. Public Shareholders to whom the Open Offer is being made are free to tender their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.
15. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
16. There has been no revision in the Offer Price or Offer Size as on the date of this Draft Letter of Offer. The Acquirers reserve the right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of 1 (one) Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirers shall: (i) make a corresponding increase to the Escrow Amount and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously notify Stock Exchange(s), SEBI and the Target Company at its Registered Office. In case of any revision of the Offer Price, the Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of the Letter of Offer.
17. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.
18. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirers for the purpose of this Offer.
19. The acceptance to the Offer is entirely at the discretion of the Public Shareholders of the Target

Company. The Acquirers shall not be responsible in any manner for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.) and the Public Shareholders are advised to adequately safeguard their interests in this regard.

B. Eligibility for accepting the Open Offer

1. The Letter of Offer specifying the detailed terms and conditions of this Offer, along with the Form of Acceptance-cum-Acknowledgement, shall be sent to all the Public Shareholders, whose names appear on the register of members of the Target Company, at the close of business hours on the Identified Date, being registered equity Public Shareholders as per the records of NSDL and CSDL, and registered Public Shareholders holding Equity Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual Letter of Offer would be dispatched to each of the Public Shareholders of the Target Company is November 18, 2021 .
2. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an Open Offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.
3. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Open Offer.
4. The acceptance of this Offer by the Public Shareholders must be absolute and unqualified and is entirely at the discretion of the Public Shareholder(s). Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
5. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Offer Shares.
6. The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirers in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition a maximum of 10,14,000 (Ten Lakhs Fourteen Thousand) Equity Shares, representing 26.00% (Twenty-Six percent.) of the Voting Share Capital, in consultation with the Manager to the Offer.
7. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
8. In accordance with the Frequently Asked Questions issued by SEBI, "*FAQs – Tendering of physical shares in buyback offer/open offer/exit offer/delisting*" dated February 20, 2020 and SEBI circular dated July 31, 2020 in this respect, the public shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is detailed of Part IX (*Procedure for Acceptance and Settlement of the Offer*) below.

9. For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

C. Statutory and Other Approvals

1. As on the date of this DLOF, to the best of the knowledge of the Acquirers, there are no statutory or other approvals required by the Acquirers to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirers at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SPA, are not satisfied, for reasons outside the reasonable control of the Acquirers, the Acquirers shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
2. Further, the consummation of the Underlying Transaction is subject to satisfaction of the condition's precedent specified in the SPA (unless waived in accordance with the provisions thereof).
3. In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Public Shareholders as directed by the SEBI, in terms of Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, in event of non-fulfillment of obligations under the SEBI (SAST) Regulation by the Acquirers, Regulation 17(9) of SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture
4. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Offer Shares.
5. There are no conditions as stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations, 2011, save and except the approval of the shareholders of the Seller.
6. As on the date of this Draft Letter of Offer, the Acquirers does not require any approvals from Financial Institutions or Banks for this Offer.
7. The Acquirers shall complete all procedures relating to payment of consideration under this Open Offer within 10 (Ten) Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

IX. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

1. All Public Shareholders holding the Equity Shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("Tendering Period") for this Open Offer. Please refer to section titled "Procedure for tendering Equity Shares held in Physical form" below of this part, for details in relation to tendering of Offer Shares held in physical form.
2. The Open Offer shall be implemented by using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and BSE notice no. 20170202-34 dated February 2, 2017, as amended. The facility for acquisition of Equity Shares through

the stock exchange mechanism pursuant to the Offer shall be available on the Stock Exchanges in the form of the Acquisition Window.

3. BSE shall be Designated Stock Exchange for the purpose of tendering offer shares in the Offer.
4. The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (“Acquisition Window”). The cumulative quantity tendered shall be displayed on the BSE website i.e., www.bseindia.com through-out the trading session, at specific intervals, during the Tendering period.
5. The Selling Broker can enter orders for physical and dematerialised Equity Shares. The cumulative quantity tendered shall be displayed on the Stock Exchanges’ website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
6. For implementation of the Open Offer, the Acquirers has appointed Nikunj Stock Brokers Limited (“**Buying Broker**”) as its broker through whom the purchases and settlements on account of the Offer Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:

Name of the Contact Person	Anshul Aggarwal
Address	A- 92, GF, Left Portion, Kamla Nagar Delhi-110 007.
CIN	U74899DL1994PLC060413
Tel No	011- 47030015/ 16
Email id	info@nikunjonline.com
Investor Grievance Email id	ig.nikunj@nikunjonline.com
Website	www.nikunjonline.com
SEBI Registration No.	INZ000169355

7. Public Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.
8. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.
9. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the Offer Opening Date.
10. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the Offer Opening Date.
11. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
12. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“**UCC**”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker viz. Axis Capital Limited, to bid by using quick UCC facility. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account)/ Axis Capital Limited may have to submit following details:
 - (a) In case of Public Shareholder being an individual:
 - i. If Public Shareholder is registered with KYC Registration Agency (“**KRA**”): Forms required:

- Central Know Your Client (“**CKYC**”) form including Foreign Account Tax Compliance Act (“**FATCA**”), In Person Verification (“**IPV**”), Original Seen and Verified (“**OSV**”) if applicable
 - Know Your Client (“**KYC**”) form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)
- ii. If Public Shareholder is not registered with KRA: Forms required:
- CKYC form including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - Permanent Account Number (“**PAN**”) card copy
 - Address proof
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)

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

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

- i. If Public Shareholder is registered with KRA: Forms required:
- CKYC form of karta including FATCA, IPV, OSV if applicable
 - KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)
- ii. If Public Shareholder is not registered with KRA: Forms required:
- CKYC form of karta including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)

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

(c) In case of Public Shareholder other than Individual and HUF:

- i. If Public Shareholder is KRA registered: Form required
- KYC form documents required (all documents certified true copy):

- Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/authorised signatories/partners/trustees
 - Latest shareholding pattern
 - Board resolution
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
- ii. If Public Shareholder is not KRA registered: Forms required:
- KRA form
 - KYC form documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in dematerialized form (demat master/latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/authorised signatories /partners/trustees
 - PAN card copies & address proof of directors/authorised signatories/ partners/trustees
 - Latest shareholding pattern
 - Board resolution/partnership declaration
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
 - Memorandum of association/partnership deed /trust deed

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

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

13. The cumulative quantity tendered shall be displayed on BSE's website (www.bseindia.com) throughout the trading session at specific intervals by BSE during the Tendering Period.
14. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
15. **Procedure for tendering Equity Shares held in Dematerialised Form**
 - (a) Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

- (b) The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- (c) The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- (d) Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc.
- (e) On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- (f) For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- (g) The duly filled in Delivery Instruction Slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer.
- (h) For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.
- (i) **Public Shareholders should not place orders through the Target Company, the Acquirers, the Manager to the Offer or the Registrar to the Offer**
- (j) **The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.**
- (k) All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be superscribed as “Choksi Imaging Limited- Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

16. Procedure for tendering Equity Shares held in Physical form

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

Public Shareholders who hold shares in physical form and intend to participate in the Offer will be required to do so through Seller Broker. Public Shareholders should submit their orders through Selling Broker registered with BSE only. In the event the Selling Broker of any Public Shareholder is not registered with BSE as trading member / stock broker, then that Public Shareholder can approach any BSE registered stock broker and can register himself / herself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable laws). Public Shareholders holding Shares in physical form and intending to participate in the Offer should approach their Seller Broker along with the following complete set of documents to allow for verification procedure to be carried out:

- (a) Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- (b) Original share certificate(s).
- (c) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- (d) Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- (e) Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Public Shareholder would be required to submit a self-attested copy of proof of address consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.
- (f) Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
- (g) The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- (h) After placement of order, as mentioned above in Point (g), the Selling Broker(s)/ Public Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as **“Choksi Imaging Limited - Open Offer”**. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- (i) Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirers shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as ‘unconfirmed physical orders’. Once, the Registrar to the Offer confirms the orders it will be treated as ‘confirmed orders’. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days after the Offer Closing Date shall be liable to get rejected.
- (j) Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.
- (k) In case any person has submitted Equity Shares in physical form for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- (l) **Public Shareholders holding Equity Shares in physical mode will be required to fill the respective**

Forms of Acceptance cum Acknowledgment. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

- (m) **The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.**

17. Procedure for tendering the Equity Shares in case of non-receipt of Draft Letter of Offer

- (a) Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- (b) A Public Shareholders may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Draft Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.
- (c) In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, www.sebi.gov.in, and Public Shareholders can also apply by downloading such forms from the said website.
- (d) Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the Offer Closing Date.

18. Acceptance of Equity Shares

- (a) Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner.
- (b) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirers will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

19. Settlement Process

- (a) On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.
- (b) The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
- (c) Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
- (d) The Acquirers will pay the consideration payable towards purchase of the Equity Shares to the Buyer

Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the dematerialised Equity Shares acquired in the Offer, the Public Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Public Shareholder are not available or if the fund transfer instruction is rejected by the RBI or relevant bank, due to any reasons, then the amount payable to the relevant Public Shareholder will be transferred to the concerned Seller Brokers for onward transfer to such Public Shareholder. In case of physical shares, the Clearing Corporation will release the funds to the Seller Broker as per the secondary market mechanism for onward transfer to Public Shareholders.

- (e) The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- (f) The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
- (g) Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- (h) Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Public Shareholder(s) directly by Registrar to the Offer.
- (i) The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker. Buying Brokers would also issue a contract note to the Acquirers for the Equity Shares accepted under the Offer.
- (j) Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirers. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- (k) Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders'/ unregistered owners' sole risk to the sole/ first Public Shareholder / unregistered owner.
- (l) In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- (m) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- (n) If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- (o) Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses

(including brokerage) incurred solely by the Public Shareholders.

- (p) In case of delay / non-receipt of any approval, SEBI may, if satisfied that non-receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- (q) The Acquirers intend to complete all formalities, including the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer, within a period of 10 Working Days from the Offer Closure Date, and for this purpose, a Special Escrow Account in compliance with Regulation 21(1) of the SEBI (SAST) Regulations has been opened.

X. NOTES ON TAXATION

THE INFORMATION PROVIDED BELOW SETS OUT THE INCOME-TAX IMPLICATIONS ON TENDERING OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE UNDER AN OPEN OFFER IN A SUMMARY MANNER AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES UNDER THE TAX LAWS PRESENTLY IN FORCE IN INDIA. THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 (AS AMENDED BY FINANCE ACT, 2021) AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW.

ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS (“DTAA”) WITH RESPECTIVE COUNTRIES.

IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

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

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES ON THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU

SHOULD CONSULT WITH YOUR OWN TAXADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 1961.

1. General:

- (a) The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax ("Taxpayer") during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31.
- (b) A person who is a resident in terms of Indian Income Tax Act, 1961, ("IT Act") he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself.
- (c) A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated".
- (d) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- (e) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (MLI) as ratified by India with the respective country of which the said shareholder is a tax resident; (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- (f) Gains arising from the transfer of equity shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).
- (g) As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge
- (h) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- (i) The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- (j) The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below. All references to equity share herein refer to listed equity shares unless stated otherwise.

2. Classification of Shareholders: Shareholders can be classified under the following categories:

- (a) Resident Shareholders being:
 - (i) Individuals, Hindu Undivided Family (HUF), Association of Persons ("AOP") and Body of Individuals ("BOI")
 - (ii) Others
- (b) Non-Resident Shareholders being:
 - (i) Non-Resident Indians (NRIs)

- (ii) Foreign Portfolio Investors (FPIs)
- (iii) Others:
 - Company
 - Other than company

3. **Classification of Shares:**

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

- (c) Shares held as investment (Income from transfer of such shares taxable under the head “**Capital Gains**”)
- (d) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head “**Profits and Gains from Business or Profession**”)

4. **Taxability of Capital Gains in the hands of shareholders**

- (a) Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.
- (b) Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:
 - (c) Short-term Capital Asset (“STCA”): Equity shares held for less than or equal to 12 months
 - (d) Long-term Capital Asset (“LTCA”): Equity share held for more than 12 months
- (e) Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“STCG”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“LTCG”).
- (f) As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax (“STT”) has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- (g) Such LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act.
- (h) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- (i) As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- (j) Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.
- (k) The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- (l) As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be

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

- (m) Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- (n) Additional information in case of Foreign Institutional Investors ("FIIs"):
- (o) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
- (p) The provisions of Indirect transfer in terms of Explanation 5 to Section 9 of the IT Act do not apply to non-resident investors in FIIs referred to in Section 115AD and Category-I and Category-II Foreign Portfolio Investor ("FPI") registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
- (q) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,
- (r) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.
- (s) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.
- (t) The above rates are to be increased by applicable surcharge and cess.
- (u) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (v) The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.
- (w) **Additional Information in case of Non-resident Indians ("NRIs"):**

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e. individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:
- (i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10% (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- (ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 (three) years from the date of their acquisition.
- (iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.

- (iv) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
- (v) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.
- (vi) Investment Funds:
- (vii) Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head “Profits and gains of business or profession” would be exempt from income tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.
- (viii) Mutual Fund
- (ix) Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

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

- (a) Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.
- (b) In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
- (c) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.

6. **Withholding Tax implications:**

- (a) Remittance/Payment of Consideration
 - (i) Resident shareholders:
 - (b) In the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to Public Shareholders pursuant to tendering of shares under the Open Offer.
 - (c) Non-resident shareholders –
 - (d) FIIs Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.
 - (e) Non-resident shareholders (other than FIIs):
 - (f) Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
 - (g) Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum

chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

- (h) However, the Acquirers will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirers to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirers to the non-resident shareholders.
- (i) Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirers are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirers should be indemnified.
- (j) The non-resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirers, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.
- (k) Remittance/Payment of Interest
- (i) In case of interest, if any, paid by the Acquirers to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirers will deduct TDS at the applicable rates in accordance with the provisions of the IT Act, so long as a Permanent Account number (“PAN”) is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act. The provisions of Section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:
1. name, e-mail id, contact number;
 2. address in the country or specified territory outside India of which the shareholder is a resident;
 3. Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
 4. Tax Identification Number/ Unique Identification Number of the shareholder.
- (ii) The TDS on interest payment as mentioned above is subject to the following exemptions:
- Resident shareholders:
- There will be no TDS if interest payable does not exceed Rs 5,000/-
 - There will be no TDS on interest payable to the following parties:
 - any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
 - any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
 - any financial corporation established by or under a Central, State or Provincial Act;
 - the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
 - the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and
 - any company or co-operative society carrying on the business of insurance.
 - There will be no TDS in the case of a SEBI registered mutual fund as per Section 10(23D) of the IT Act;
 - There will be no TDS for any entity which is exempted as such by any notification issued under Section 197A (1F) of the IT Act;

- Nil or lower rate of TDS (as applicable) will be applied if the shareholder furnishes a certificate from the Income tax authorities under Section 197 of the IT Act
 - Non-resident shareholders:
 - Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted..
- (iii) Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer, the Acquirer will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.
- (iv) In the event, the Acquirers decide(s) to withhold tax, the same shall be on the basis of the documents submitted along with the Form of Acceptance or such additional documents as may be called for by the Acquirers. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirers are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirers should be indemnified.
- (v) The shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirers on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

7. Documents to be provided along with the Form of Acceptance:

- (a) Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:
- (i) Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirers;
 - (ii) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
 - (iii) Self-declaration in Form 15G / Form 15H (in duplicate), if applicable;
 - (iv) SEBI registration certificate as a mutual fund;
 - (v) Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act; and
 - (vi) SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the IT Act.
- (b) Non-resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:
- (i) Self-attested copy of PAN Card; or
name, e-mail id, contact number;
address in the country or specified territory outside India of which the shareholder is a resident;
Tax Residency Certificate;
Form 10F; and
Tax Identification Number/ Unique Identification Number of the shareholder.
 - (ii) Tax Residency Certificate;

- (iii) Form 10F;
- (iv) Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
- (v) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
- (vi) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
- (vii) SEBI registration certificate for FII and FPI.

8. **Tax Deduction Certificate**

The Acquirer will issue a certificate in the prescribed form to the shareholders (resident and non-resident) who have been paid the consideration or interest, if any, after deduction of tax on the same, certifying the amount of tax deducted and other prescribed particulars in accordance with the provisions of the IT Act read with the Income-tax Rules, 1962 made thereunder.

Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the Acquirers. The documents submitted by the shareholders along with the Form of Acceptance will be considered as final. Any further/ delayed submission of additional documents, unless specifically requested by the Acquirers will be accepted at the sole discretion of the Acquirers.

The final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with Acquirers

2. **Rate of Surcharge and Cess**

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

- Surcharge
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- In case of domestic companies which have opted for concessional tax regime either under Section 115BAA or Section 115BAB: Surcharge @ 10% is leviable.
- In case of companies other than domestic companies: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore and @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
- In case of individuals, HUF, AOP, BOI:
- Surcharge @ 10% is leviable where the total income exceeds Rs. 50 lakh but less than Rs. 1 crore;
- Surcharge @ 15% is leviable where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore;
- Surcharge @ 25% is leviable where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore; and
- Surcharge @ 37% is leviable where the total income exceeds Rs. 5 crore.
- However, for the purpose of income chargeable under section 111A, 112A and 115AD (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- In case of Firm and Local Authority: Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore.

Cess

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

3. **Others**

- (a) Notwithstanding the details provided above, all payments will be made to the shareholders

- subject to compliance with prevailing tax laws.
- (b) The tax deducted by the Acquirers while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
 - (c) The Acquirers will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirers with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
 - (d) The Acquirers, and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

The tax rate and other provisions may undergo changes.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

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

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM TIME TO TIME.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

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

XI. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the Registered Office of the Manager to the Offer at Fedex Securities Private Limited, B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (E), Mumbai 400057, Maharashtra, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period:

- (a) Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Acquirers;
- (b) Copy of the Share Purchase Agreement dated September 29, 2021 executed between the Acquirers and the Seller which triggered the Open Offer;
- (c) Copies of the standalone financial statements of the Acquirer 2 for the three-month period ended June 30, 2021, which has been subject to limited review by the independent statutory auditor of the Acquirer 2;
- (d) Copies of the annual reports of the Target Company for the financial years ended March 31, 2018, March 31, 2019, and March 31, 2020, and the unaudited standalone financial statements for the three-month period ended June 30, 2021, reviewed by the independent statutory auditor of the Target Company;
- (e) Mr. K R Parikh Partner (Membership No. 036517) at M/s. Parikh & Amin Associates, Chartered Accountants (FRN: 107520W) has certified that the Net worth of Acquirer 1 as on September 29, 2021 is Rs. 7,57,77,420 (Indian Rupees Seven Crore Fifty-Seven Lakhs Seventy-Seven Thousand Four Hundred and Twenty only).
- (f) Mr. Amin Fidai, Partner (Membership No. 040427) at M/s. Parikh & Amin Associates, Chartered Accountants (FRN: 107520W) has certified that the net worth of Acquirer 2 as on September 29, 2021 is Rs. 9,64,82,261 (Rupees Nine Crores Sixty-Four Lakhs Eighty-Two Thousand Two Hundred and Sixty-One only).
- (g) Certificate dated October 05, 2021 issued by Karia & Shah Chartered Accountant (Membership Number 042529), Partner at Karia & Shah, Chartered Accountants (Firm Registration Number: 112203W)
- (h) Copy of the Escrow Agreement dated October 01, 2021 between the Acquirers & ICICI Bank Limited (Escrow Bank) and the Manager to the Open Offer;
- (i) Copy of the letter dated October 05, 2021 received from the Escrow Agent, confirming the deposit of Rs.3,54,90,000/- in the Cash Escrow Account.
- (j) Copy of the PA dated September 29, 2021 and submitted to the Stock Exchange(s), SEBI and Target Company;
- (k) Copy of the DPS dated October 06, 2021 published by the Manager to the Offer on behalf of the Acquirers on May 28, 2021;
- (l) Copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company; and
- (m) Copy of the letter number [●] from SEBI dated [●] containing its observations on the Draft Letter of Offer.

XII. DECLARATION BY THE ACQUIRERS

1. The Acquirers and their respective directors accept full responsibility for the information contained in this DLOF including the Form of Acceptance-cum-Acknowledgement, except for the information with respect to the Target Company which has been compiled from information published or provided by the Target Company, as the case may be, or information publicly available sources and which information has not been independently verified by the Acquirers or the Manager, or information provided by the Sellers and shall be jointly and severally responsible for the fulfilment of obligations of the Acquirers under the SEBI (SAST) Regulations in respect of this Offer.
2. The Acquirers shall be jointly and severally responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations

