

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

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

MR. MANOJBHAI J. PATEL (“Acquirer I”)

Residential Address: FB 40 – 41, Sector-F, Sterling City, Behind Pankhil Bunglows, Bopal, Ahmedabad – 380058, Gujarat, India
Tel: +91 98250 20461 **Email:** manojkumarptl2@gmail.com

AND

MR. AVANISHKUMAR MANOJKUMAR PATEL (“Acquirer II”)

Residential Address: FB 40 – 41, Sector-F, Sterling City, Behind Pankhil Bunglows, Bopal, Ahmedabad – 380058, Gujarat, India
Tel: +91 99099 15031 **Email:** avanish023@gmail.com

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

along with the following person acting in concert

MR. SURENDRA SHAH (“PAC”)

Residential Address: 23, Amramanjari Bunglows, Behind Sun City, Opp. Oriental Bank of Commerce, South Bopal Road, Bopal, Ahmedabad-380058, Gujarat, India
Tel: +91 98250 48898 **Email:** snshah2160@gmail.com

OPEN OFFER FOR ACQUISITION OF UPTO 40,56,000 (FORTY LAKHS FIFTY-SIX THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARE”), REPRESENTING 26% OF THE VOTING CAPITAL (AS DEFINED BELOW) OF JAGJANANI TEXTILES LIMITED (THE “TARGET COMPANY”) AT AN OFFER PRICE OF ₹ 6.50/- (RUPEES SIX AND FIFTY PAISE ONLY) PER EQUITY SHARE OF THE TARGET COMPANY, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”) FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF

JAGJANANI TEXTILES LIMITED (“TARGET COMPANY”)

Registered Office: SCOs 33 and 34, RIICO Shopping Complex, Bagru Ext. I, Jaipur - 303007, Rajasthan, India.

CIN: L17124RJ1997PLC013498

Tel: 0141-4104745

Email id: jtlsgv@gmail.com; **Website:** www.jagjanani.com

Please Note:

1. This Open Offer (as defined below) is being made by the Acquirers and PAC pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations and other applicable regulations of the SEBI (SAST) Regulations, including any subsequent modification from time to time.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this LOF, to the best of the knowledge of the Acquirers and PAC, there are no statutory approvals required to implement the Open Offer that are validly tendered pursuant to the Open Offer and/or to complete the acquisition of Equity Shares by way of Share Purchase Agreement dated April 06, 2023. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
5. The Acquirers and PAC shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (as defined below) from the date of closure of the Tendering Period (as defined below), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
6. An upward revision to the Offer Price or to the Offer Size (as defined below), if any, on account of competing offers or below) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such announcement will also be sent to SEBI, Stock Exchanges and the Target Company at its registered office.
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 and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs (as defined below) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirers and PAC reserve the right to reject such Equity Shares tendered in this Offer.
8. **There has been no competing offer to the Acquirer's Offer as of the date of this LOF. 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"), the Corrigendum to Detailed Public Statement ("Corrigendum"), the DLOF (including the Form of Acceptance) any other advertisement/ publication to be made in connection with this Offer will be available on the website of SEBI, at www.sebi.gov.in.

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

Manager to the Offer



FEDEX SECURITIES PRIVATE LIMITED

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

Tel No.: +91 81049 85249

E-mail: mb@fedsec.in

Investor Grievance E-Mail: mb@fedsec.in

Website: www.fedsec.in

Contact Person: Saipan Sanghvi

SEBI Registration Number: INM000010163

Registrar to the Offer



LINK INTIME INDIA PRIVATE LIMITED

C-101, 247 Park, LBS Marg, Vikhroli (West), Mumbai 400083, Maharashtra, India

Tel No.: +91 810 811 4949

Fax No.: +91 22 4918 6060

Email id: jagjanani.offer@linkintime.co.in

Website: www.linkintime.co.in

Investor Grievance id: jagjanani.offer@linkintime.co.in

Contact Person: Sumeet Deshpande

SEBI Registration No.: INR000004058

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

| Activity | Original Schedule of Activities | | Revised Schedule of Activities | |
|--|---------------------------------|-----------|--------------------------------|-----------|
| | Date | Day | Date | Day |
| PA for open offer | April 06, 2023 | Thursday | April 06, 2023 | Thursday |
| Date of publishing of Detailed Public Statement | April 17, 2023 | Monday | April 17, 2023 | Monday |
| Last date of filing Draft Letter of Offer with SEBI | April 24, 2023 | Monday | April 24, 2023 | Monday |
| Last date for public announcement for competing offer(s) | May 10, 2023 | Wednesday | May 10, 2023 | Wednesday |
| Last date for receipt of comments from SEBI on the Draft Letter of Offer | May 17, 2023 | Wednesday | July 03, 2023 | Monday |
| Identified Date# | May 19, 2023 | Friday | July 05, 2023 | Wednesday |
| Date by which the Letter of Offer is to be dispatched to the Equity Shareholders whose name appears on the register of members on the Identified Date. | May 26, 2023 | Friday | July 12, 2023 | Wednesday |
| Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer. | May 30, 2023 | Tuesday | July 17, 2023 | Monday |
| Last date for revising the Offer Price / Offer Size. | June 01, 2023 | Thursday | July 18, 2023 | Tuesday |
| Date of publication of Offer Opening Public Announcement in the Newspapers. | June 01, 2023 | Thursday | July 18, 2023 | Tuesday |
| Date of commencement of the Tendering Period (Offer Opening Date) | June 02, 2023 | Friday | July 19, 2023 | Wednesday |
| Date of closure of the Tendering Period (Offer Closing Date). | June 15, 2023 | Thursday | August 01, 2023 | Tuesday |
| Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Equity Shareholders of the Target Company. | June 30, 2023 | Friday | August 17, 2023 | Thursday |
| Last date for publication of post-Offer public announcement in the Newspapers. | July 07, 2023 | Friday | August 24, 2023 | Thursday |

| | | | | |
|--|---------------|--------|-----------------|----------|
| Last date for filing of final report with SEBI | July 07, 2023 | Friday | August 24, 2023 | Thursday |
|--|---------------|--------|-----------------|----------|

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

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

RISK FACTORS

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

A. RISKS RELATING TO THE UNDERLYING TRANSACTION:

1. This Offer is a mandatory offer in terms of Regulation 3(1) and Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').
2. In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, any conditions are not satisfactorily complied with for reasons beyond the control of the Acquirers and PAC, the Open Offer would stand withdrawn. The Acquirers and PAC reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011. In the event of a withdrawal of the Offer, the Acquirers and PAC (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a Public Announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulation.
3. As on the date of this LOF, there are no statutory approvals required to complete the Underlying Transaction of the Equity shares. However, in case any statutory or other approval becomes applicable prior to the completion of the Open Offer, this Underlying Transaction would also be subject to such other statutory approvals and the Acquirers and PAC shall make the necessary applications for such statutory approvals.

B. RISKS RELATING TO THE OFFER

1. This Open Offer is an offer to acquire not more than 26.00% of the Voting Capital of the Target Company from the Public Shareholders. In the case of Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted.
2. To the best of the knowledge of the Acquirers and the PAC, as on the date of this LOF, there are no statutory approvals required to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirers and PAC shall make the necessary applications for such statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirers and PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers and PAC to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and

18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers and PAC in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture.

3. 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 and PAC from performing their obligations hereunder, or (c) SEBI instructing the Acquirers and PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. 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.
4. 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.
5. The Acquirers and PAC make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer.
6. 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.
7. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
8. The Acquirers, PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, the Corrigendum to DPS (Corrigendum), the DLOF and this Letter of Offer, and anyone placing reliance on any other source of information (not released by the Acquirers or the PAC or the Manager to the Offer) would be doing so at his/her/it's or their own risk.

9. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirers, the PAC, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% of the voting rights of the Target Company, the Acquirers and PAC may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
10. This LOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers, the PAC or the Manager to the Offer to any new or additional registration requirements. This LOF does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
11. The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF, and all shareholders should independently consult their respective tax advisors.
12. The Acquirers and PAC accept full responsibility with respect to any information provided in the PA, DPS or Corrigendum or DLOF or LOF pertaining to the Target Company.
13. None of the Acquirers, the PAC, the Manager, or the Registrar, accept any responsibility for any loss of documents during transit (including but not limited to the Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

C. RISKS RELATING TO THE ACQUIRERS AND PAC

1. The Acquirers, PAC 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.
2. The Acquirers and PAC makes no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
3. The Acquirers, PAC 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.

4. Upon completion of the Offer, assuming full acceptance in the Offer, the Acquirers and PAC will hold 1,20,32,490 (One Crore Twenty Lakhs Thirty-two Thousand Four Hundred Ninety) Equity Shares representing 77.13% of the Voting Capital of the Target Company as on the tenth working day after the closure of the Tendering Period. This would result in public shareholding in Target Company falling below the minimum level prescribed under Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957. In such an event, the Acquirers and the PAC shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirers and the PAC, to meet the minimum public shareholding requirements specified under SCRR.
5. The information pertaining to the Target Company contained in the PA or DPS or Corrigendum or DLOF or LOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or publicly available sources.

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

D. CURRENCY OF PRESENTATION

In this DLOF, all references to “₹”, “Rupees”, “Rs.” or “INR” are references to Indian National Rupees(s) (INR).

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

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1. KEY DEFINITIONS

| Particulars | Details/Definition |
|--|---|
| Acceptance Date | The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification |
| Acquirers | Mr. Manojbhai J. Patel and Mr. Avnishkumar Manojkumar Patel |
| AOA | Articles of Association |
| Board/Board of Directors | Board of directors of Jagjanani Textiles Limited |
| BSE / Stock Exchange | BSE Limited |
| Buying Broker | Stock broker appointed by Acquirers for the purpose of this Open Offer i.e., Choice Equity Broking Private Limited |
| Companies Act, 2013 | The Companies Act, 2013 as amended, substituted or replaced from time to time. |
| CDSL | Central Depository Services Limited |
| Clearing Corporation | Indian Clearing Corporation Limited |
| CIN | Company Identification Number |
| Corrigendum to Detailed Public Statement | The Corrigendum to Detailed Public Statement in connection with the Open offer published on behalf of the Acquirers on April 22, 2023 in Financial Express (English - All Editions), Business Remedies (Jaipur Edition) and Jansatta (Hindi - All Editions) |
| Depositories | CDSL and NSDL |
| Detailed Public Statement/DPS | The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirers on April 17, 2023 in Financial Express (English - All Editions), Business Remedies (Jaipur Edition) and Jansatta (Hindi - All Editions) |
| DIN | Director Identification Number |
| DP | Depository participant |
| Draft Letter of Offer/DLOF | This Draft Letter of Offer dated April 24, 2023 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations. |
| Effective Date | The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations. |
| EPS | Earnings per share |
| Existing Share Voting Capital / Fully paid Equity Share / Voting Capital | Paid up share capital of the Target Company i.e., ₹15,60,00,000 divided into 1,56,00,000 Equity Shares of ₹ 10 Each |
| Escrow Account | Escrow Account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, under the name and style of “Manojbhai JTL Open Offer Escrow Account” with ICICI Bank Limited, the Escrow banker. |

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| Escrow Agent/Escrow Bank | ICICI Bank Limited (“Escrow Agent”), a banking corporation incorporated under the laws of India, acting through its branch office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Pincode - 390 007, Gujarat, India dated April 07, 2023. |
| Escrow Agreement | Escrow Agreement dated April 07, 2023, entered amongst and between the Acquirers, the Escrow banker, and the Manager to the offer. |
| Escrow Amount | The amount aggregating to Rs. 66,25,000/- (Rupees Sixty-Six Lakhs Twenty-Five Thousand only) maintained by the Acquirers and PAC with the Escrow Agent in accordance with the Open Offer Escrow Agreement. |
| FEMA | Foreign Exchange Management Act, 1999, as amended |
| FII/FPI | Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA |
| Form of Acceptance | Form of Acceptance-cum-Acknowledgement |
| Identified Date | The date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period i.e., July 05, 2023, for the purpose of determining the Shareholders to whom the Letter of Offer in relation to this Offer shall be sent |
| Indian Rupees or INR or ₹ | Indian Rupees |
| Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto |
| Letter of Offer/LOF | Letter of Offer dated July 07, 2023, duly incorporating SEBI’s comments on the Draft Letter of Offer, and including the Form of Acceptance |
| Manager/Manager to the Open Offer/Manager to the Offer | Fedex Securities Private Limited |
| Maximum Consideration/ Maximum Open Offer Consideration | The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of Rs. 2,63,64,000/- |
| 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/ The Offer | means the open offer for the acquisition of up to 40,56,000 (Forty Lakhs Fifty-Six Thousand) Equity Shares, representing 26.00% (twenty six percent) of the Share Capital from the Public Shareholders. |

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| Offer Price | ₹6.50/- (Rupees Six and Fifty Paise Only) per Equity Share, payable in cash |
| Offer Size | Offer Shares representing up to 26.00% (twenty six percent) of the Voting Capital of the Target Company |
| 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 April 06, 2023 issued by the Manager on behalf of the Acquirers and PAC, in connection with the Open Offer. |
| PAC/PACs | Person(s) Acting in Concert |
| PAC | Mr. Surendra Shah |
| PAN | Permanent Account Number |
| Persons eligible to participate in the Offer/Shareholders | Registered shareholders of Jagjanani Textiles Limited, and unregistered shareholders who own the Shares of Target Company on or before the last date of tendering period is eligible to participate in the offer except the Acquirers and PACs |
| Public Shareholders | shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the (i) Acquirers, (ii) the PAC, (iii) the parties to the underlying SPA (as defined below); and (iv) existing members of the promoter and promoter group of the Target Company. |
| RBI | Reserve Bank of India |
| Registrar/Registrar to the Open Offer/Registrar to the Offer | Link Intime India Private Limited |
| SEBI | The Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992, as amended |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended or modified |
| Selling Shareholders | shall mean collectively the Promoter Sellers and the Other Sellers. |

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|-------------------------------|--|
| Share Purchase Agreement/ SPA | The share purchase agreement dated April 06, 202 entered into between the Acquirers, the PAC and the Selling Shareholders |
| Special Escrow Account | Special Escrow Account opened in accordance with Regulation 21 of the SEBI (SAST) Regulations, under the name and style of “Manojbhai JTL Open Offer Special Escrow Account” with ICICI Bank Limited, the Escrow banker. |
| Target/Target Company | Jagjanani Textiles Limited |
| Tendering Period | Period expected to commence from July 19, 2023 and closing on August 01, 2023, both days inclusive |
| Underlying Transaction | The transactions contemplated under the SPA dated April 06, 2023 |
| Working Day(s) | means any working day of the Securities and Exchange Board of India (“SEBI”). |

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

2. DISCLAIMER CLAUSES

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS 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 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 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 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 APRIL 24, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE 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.”

3. DETAILS OF THE OPEN OFFER

3.1 Background to the Open Offer

- 3.1.1 The Open Offer is a mandatory offer being made to the Public Shareholders of the Target Company under Regulation 3(1) and 4 of the SEBI (SAST) Regulations. The Offer Price will be payable in cash by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
- 3.1.2 The Acquirers and PAC have entered into a share purchase agreement dated April 6, 2023 with Shri Gopal Vyas, Shiv Kumar Singhal, Ayush Singhal, Megha Jain, Rita Singhal and Madhvi Vyas (“**Promoter Sellers**”) and Shree Ganesh Projects Private Limited and BSA Holdings Pvt Ltd (the “**Other Sellers**”) (the “**Share Purchase Agreement**” or “**SPA**”), pursuant to which the Acquirers have agreed to purchase 78,49,905 Equity Shares representing 50.32% of the Voting Capital (“**Sale Shares**”), from the Selling Shareholders, at ₹ 0.85 (Eighty-Five paise) per Equity Share i.e., for an aggregate consideration of ₹ 66,72,419.25/- (Rupees Sixty-Six Lakhs Seventy-Two Thousand Four Hundred Nineteen and Twenty-Five paise Only) for all the Equity Shares held by the Selling Shareholders (*as defined herein above*), subject to the satisfaction of

certain conditions as prescribed thereunder (“**Underlying Transactions**”). The Share Purchase Agreement also sets forth the terms and conditions agreed between the Acquirers, the PAC and the Selling Shareholders, and their respective rights and obligations.

3.1.3 Salient features of the SPA are set out below:

- a) Upon completion of the Offer
 - i) Intimation to Regulatory Authorities: Within specified period prescribed under the Applicable Law, the Parties shall (and the Purchasers shall cause the Company to) make the required filings under Regulation 13(3) of the PIT Regulation, Regulation 29 of the Takeover Regulations and under such other statutes, if any, under the Applicable Law.
 - ii) Designation as Promoters: Immediately after Closing, the Parties have agreed that the Purchasers will be designated as "Promoters" (as defined hereinafter) of the Company and the Sellers shall cease to have any Control over the affairs of the Company and will also cease to be "Promoters" or "co-promoters" of the Company or part of the "promoter group".
 - iii) The Sellers have agreed that after completion of the Transaction, the Sellers shall hand over the control of the Company to the Purchasers and shall do all such acts and deeds as may be required to effectuate the Transaction, including, but not limited to, removal of all the non-independent Directors from the Board, notify the Relevant Exchanges and the SEBI (as defined hereinafter) of the de-classification of the Sellers as the 'Promoters' in terms of the Takeover Regulations, the Listing Agreement entered into with the Relevant Exchanges or otherwise

- b) Covenants upto closing
 - The sellers shall, (and the sellers shall ensure the Company shall) until the closing date, unless otherwise agreed by the purchasers:
 - i) maintain its corporate existence and its right to carry on operations and conduct its Business in a proper efficient manner and in compliance with all Laws, regulations, Authorisations, agreements and obligations applicable to it;
 - ii) maintain the books and records in the usual manner and not permit a material change in any underwriting, investment, financial reporting, tax, or accounting practice or policy or in any assumption underlying such a practice or policy;
 - iii) obtain and promptly renew and comply with, all consents and Authorisations which may be required under any Applicable Laws or regulation to enable it to perform the Business;
 - iv) refrain from violating, breaching, or defaulting, and from taking or failing to take any action that (with or without notice or lapse of time or both) would constitute a violation, breach, or default under, any term or provision of any Laws or regulation or contract to which the Company is a party or by which any of its Assets is or may be bound or that would (a) prevent or invalidate the consummation of the Transaction contemplated by the Transaction Documents or (b) cause the Transaction Documents and the Transaction contemplated hereby to violate any Applicable Laws; and
 - v) The Sellers shall immediately notify the Purchasers in writing of any matter or thing which arises or becomes known to it before the Closing which constitutes (or would after the lapse of time constitute) a misrepresentation or a breach of any of the Sellers' Representation and Warranties or covenants or the undertakings or other provisions set out in this Agreement.

- vi) The Sellers shall co-operate with the Purchasers and provide all necessary assistance (including necessary information) in relation to (a) the public announcement including the detailed public statement and the Open Offer to be made by the Purchasers under the Takeover Regulations pursuant to this Agreement and any issues that may arise from any Governmental Authority; and (b) the statutory approvals, if required and sought by the Purchasers.
 - vii) Open Offer: The Purchasers undertakes that they shall comply with its obligations to complete the Closing and Open Offer in accordance with the Takeover Regulations.
- 3.1.4 Upon completion of the Underlying Transaction, the Acquirers will be the largest shareholders of and have a controlling stake in the Target Company, and shall be classified as the ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the Offer, the erstwhile Promoters shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoters of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations.
- 3.1.5 This Open Offer is for acquisition of upto 26.00% of the Voting Capital of the Target Company.
- 3.1.6 The prime objective of the Acquirers and PAC for undertaking the proposed transaction is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company.
- 3.1.7 The Acquirers are making this Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulations, to acquire up to 40,56,000 (Forty Lakhs Fifty-Six Thousand) Shares of ₹ 10/- each representing up to 26.00% of the Voting Capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Letter of Offer, at a price of ₹ 6.50/- per equity share. These Shares are to be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.1.8 There is person acting in concert/s with the Acquirers within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.9 As on the date of this LOF, the Acquirers and PAC have not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 (‘SEBI Act’) as amended or under any other regulation made under the SEBI Act.
- 3.1.10 As on the date of this LOF, the Acquirers and PAC have not been categorized in the list of wilful defaulters or fraudulent borrower of any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.
- 3.1.11 As on the date of this LOF, the Acquirers and PAC have not been categorized as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

- 3.1.12 The Manager to the Open Offer i.e., Fedex Securities Private Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.13 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS and Corrigendum to DPS was published.
- 3.1.14 Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirers will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

3.2 Details of the proposed Offer

- 3.2.1 The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was filed on April 06, 2023 with SEBI, BSE and the Target Company. The copy of the PA was sent to the SEBI on April 12, 2023 in terms of Regulation 14(1) & 14(2) of the SEBI (SAST) Regulations. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations the DPS and Corrigendum was published in the following newspapers on April 17, 2023 and April 22, 2023 respectively:

| Publication | Edition |
|-------------------|------------------------|
| Financial Express | English - All Editions |
| Business Remedies | Jaipur Edition |
| Jansatta | Hindi - All Editions |

The DPS and Corrigendum was also submitted to SEBI and the BSE and sent to the Target Company on April 17, 2023 and April 22, 2023, respectively. The DPS and Corrigendum is also available on the website of SEBI at www.sebi.gov.in.

- 3.2.3 This Open Offer is being made by the Acquirers and PAC to all the Public Shareholders of the Target Company to acquire up to 40,56,000 (Forty Lakhs Fifty-Six Thousand) Equity Shares (“**Offer Shares**”), constituting 26% (twenty six percent) of the Voting Capital, at a price of ₹

6.50 (Rupees Six and Fifty Paise only) per Offer Share (“**Offer Price**”), which has been calculated in accordance Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of ₹ 2,63,64,000 (Rupees Two Crores Sixty-Three Lakhs Sixty-Four Thousand Only) (“**Maximum Open Offer Consideration**”), subject to the terms and conditions mentioned herein.

- 3.2.4 There are no partly paid-up shares in the Target Company.
- 3.2.5 There is no differential pricing in the Offer.
- 3.2.6 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.
- 3.2.7 This Open Offer is not a competing offer and there is no competing offer as on the date of this LOF in terms of Regulation 20 of the SEBI (SAST) Regulations
- 3.2.8 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.9 The Acquirers and PAC have not acquired any Equity Shares of the Target Company between the date of the PA (i.e., April 06, 2023) and up to the date of this LOF. The Acquirers and PAC shall disclose any acquisitions made by the Acquirers and PAC during the Offer Period of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 3.2.10 The Offer is subject to the terms and conditions set out herein and the PA, the DPS and the Corrigendum made by the Acquirers along with PACs from time to time in this regard.

3.3 Object of the Open Offer

- 3.3.1 The prime objective of the Acquirers and PAC for undertaking the proposed transaction is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company.
- 3.3.2 After the completion of this Open Offer, the Acquirers and PAC will hold the majority of Equity Shares by virtue of which the Acquirers and PAC shall be in a position to exercise effective control over the management and affairs of the Target Company.
- 3.3.3 Upon completion of the underlying transactions, the Acquirers will be the largest shareholder and have a controlling stake in the Target Company, and shall be classified as the ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the

Offer, the erstwhile promoters shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoters of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations

3.3.4 Currently, the Acquirers does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company. If the Acquirers intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.

4. BACKGROUND OF THE ACQUIRERS AND THE PAC

4.1 Mr. Manojbhai J. Patel (“ACQUIRER I”)

4.1.1 Acquirer I, Mr. Manojbhai J. Patel s/o Jayantibhai Khushaldas Patel aged about 63 years, is an Indian resident bearing Permanent Account Number ‘ADSPP8321Q’ under the Income-tax Act, 1961 and residing at FB 40 - 41, Sector - F, Sterling City, Behind Pankhil Bungalows, Bopal, Ahmedabad - 380058, Gujarat, India

4.1.2 Acquirer I have experience of around 30 years in chemical business and presently holds directorship in Shanti Inorgo Chem (Guj) Private Limited.

4.1.3 M/s. Kishan Kanani, partner (Membership No. 192347) of S N D K & Associates LLP, Chartered Accountants (FRN: W100060) has certified bearing UDIN 23192347BGRHAX8734 that the net worth of Acquirer I as on July 07, 2023 is Rs. 1381.57 Lakhs.

4.1.4 Acquirer I is not part of any group.

4.1.5 As on the date of this LOF, the Acquirer I have sufficient resources to fulfil the obligations under this Offer.

4.1.6 Other than the PAC, no person is acting in concert with the Acquirers for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirers and / or the PAC in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations (“**Deemed PACs**”), such Deemed PACs are not acting in concert with the Acquirers and / or the PAC for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

- 4.1.7 As on the date of this LOF, Acquirer I 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 as amended or under any other regulations made under the SEBI Act.
- 4.1.8 As on the date of this LOF, the Acquirer I have not been categorized or declared as ‘wilful defaulters’ issued by any bank or financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.
- 4.1.9 As on the date of this LOF, the Acquirer I have not been categorized or declared as a “Fugitive Economic Offender” who is declared as fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018.
- 4.1.10 Acquirer I will not sell the Equity Shares of the Target Company, held, and acquired,if any, during the Offer period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 4.1.11 Acquirer I have not acquired any Equity Shares from the date of Public Announcement till the date of this Letter of Offer.
- 4.1.12 As on the date of this LOF, Acquirer I do not hold any Equity Shares or voting rights in the Target Company. Further, neither the Acquirer I nor its directors or key managerial personnel have any relationship with or interest in the Target Company, except for the Underlying Transaction, as detailed in paragraph 3 of this LOF which has triggered the Open Offer. As on the date of this LOF, the Acquirer I do not have any relationship/ association with the Sellers, the Current Promoter and Promoter Group of the Target Company and the Target Company.
- 4.1.13 As on the date of this LOF, Acquirer I is not holding any position(s) on the Board of Director of the Target Company.
- 4.1.14 As on the date of this LOF, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Acquirer I, which have been issued/ initiated by (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this LOF, no penalties have been levied by SEBI/ RBI against the Acquirer I.
- 4.1.15 Acquirer I have not acquired any shares of the Target Company earlier through open offer.

4.2 Mr. Avanishkumar Manojkumar Patel (‘Acquirer II’)

- 4.2.1 Acquirer II, Mr. Avanishkumar Manojkumar Patel s/o Manojkumar Jayantilal Patel aged about 37 years, is an Indian resident bearing Permanent Account Number ‘ASUPP7020M’ under the Income Tax Act, 1961 and residing at FB 40 - 41, Sector - F, Sterling City, Behind Pankhil Bungalows, Bopal, Ahmedabad - 380058, Gujarat, India
- 4.2.2 Acquirer II has experience of around 15 years in chemical business and presently holds directorship in Shanti Inorgo Chem (Guj) Private

Limited.

- 4.2.3 M/s. Kishan Kanani, partner (Membership No. 192347) of S N D K & Associates LLP, Chartered Accountants (FRN: W100060) has certified bearing UDIN 23192347BGRHAW4783 that the net worth of Acquirer II as on July 07, 2023 is Rs. 223.17 Lakhs.
- 4.2.4 Acquirer II is not part of any group.
- 4.2.5 As on the date of this LOF, Acquirer II has sufficient resources to fulfil the obligations under this Offer.
- 4.2.6 Other than the PAC, no person is acting in concert with the Acquirers for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirers and / or the PAC in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations (“**Deemed PACs**”), such Deemed PACs are not acting in concert with the Acquirers and / or the PAC for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 4.2.7 As on the date of this LOF, Acquirer II has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.2.8 As on the date of this LOF, Acquirer II has not been categorized or declared as ‘wilful defaulters’ issued by any bank or financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.
- 4.2.9 As on the date of this LOF, Acquirer II has not been categorized or declared as a “Fugitive Economic Offender” who is declared as fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018.
- 4.2.10 Acquirer II will not sell the Equity Shares of the Target Company, held, and acquired, if any, during the Offer period in terms of Regulation 25(4) of the SEBI (SAST) Regulations.
- 4.2.11 Acquirer II have not acquired any Equity Shares from the date of Public Announcement till the date of this Letter of Offer.
- 4.2.12 As on the date of this LOF, Acquirer II do not hold any Equity Shares or voting rights in the Target Company. Further, Acquirer II have no relationship with or interest in the Target Company, except for the Underlying Transaction, as detailed in paragraph 3 of this LOF which has triggered the Open Offer. As on the date of this LOF, Acquirer II do not have any relationship/ association with the Sellers, the current/erstwhile promoter and promoter group of the Target Company and the Target Company.
- 4.2.13 As on the date of this LOF, Acquirer II is not holding any position(s) on the Board of Director of the Target Company.

4.2.14 As on the date of this LOF, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against Acquirer II, which have been issued/ initiated by (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this LOF, no penalties have been levied by SEBI/ RBI against Acquirer II.

4.2.15 Acquirer II has not acquired any shares of the Target Company earlier through open offer.

4.3 Mr. Surendra Shah ('PAC')

4.3.1 PAC, Mr. Surendra Shah, s/o Nemchand Nathalal Shah, aged 63 years, Indian Inhabitant, bearing PAN 'AJEPS5131K, and residing at 23, Amramanjari Bunglows, Behind Sun City, Opp. Oriental Bank of Commerce, South Bopal Road, Bopal, Ahmedabad-380058, Gujarat, India.

4.3.2 As on the date of this LOF, PAC holds 1,26,585 Equity Shares representing 0.81% of the voting share capital of the Target Company directly.

4.3.3 PAC does not belong any group.

4.3.4 As on the date of this LOF, the PAC has sufficient resources to fulfil the obligations under this Offer.

4.3.5 As on the date of this LOF, the PAC has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.

4.3.6 M/s. Kishan Kanani, partner (Membership No. 192347) of S N D K & Associates LLP, Chartered Accountants (FRN: W100060) has certified bearing UDIN 23192347BGRHAV1727 that the net worth of PAC as on July 07, 2023 is Rs. 1283.05 Lakhs.

4.3.7 As on the date of this LOF, the PAC has not been categorized or declared as 'wilful defaulters' issued by any bank or financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.

4.3.8 As on the date of this LOF, the PAC has not been categorized or declared as a "Fugitive Economic Offender" who is declared as fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018.

4.3.9 As on the date of this LOF, the PAC is holding 1,26,585 Equity Shares of the Target Company. Out of the said 1,26,585 Equity Shares 10,000 Equity Shares are pledged.

4.3.10 PAC will not sell the Equity Shares of the Target Company, held, and acquired, if any, during the Offer period in terms of Regulation 25(4) of

the SEBI (SAST) Regulations.

- 4.3.11 As on the date of this LOF, PAC do not hold any Equity Shares or voting rights in the Target Company. Further, PAC have no relationship with or interest in the Target Company, except for the Underlying Transaction, as detailed in paragraph 3 of this LOF which has triggered the Open Offer. As on the date of this LOF, Acquirer I do not have any relationship/ association with the Sellers, the Current Promoter and Promoter Group of the Target Company and the Target Company.
- 4.3.12 PAC have not acquired any Equity Shares from the date of Public Announcement till the date of this Letter of Offer.
- 4.3.13 As on the date of this LOF, PAC is not holding any position(s) on the Board of Director of the Target Company.
- 4.3.14 As on the date of this LOF, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Acquirer I, which have been issued/ initiated by (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this LOF, no penalties have been levied by SEBI/ RBI against the Acquirer I.
- 4.3.15 PAC has not acquired any shares of Target Company earlier through open offer.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1 The Target Company Jagjanani Textiles Limited, a public listed company limited by shares, incorporated on April 1, 1997 having Corporate Identification Number of the Target Company is L17124RJ1997PLC013498. There is no change in the name of the Target Company in the last three years.
- 5.2 The registered Office of the Target Company is situated at SCOs 33 and 34, RIICO Shopping Complex, Bagru Ext. I, Jaipur - 303007, Rajasthan, India.
- 5.3 The Target Company was engaged in the business of textiles i.e., manufacturing and trading of yarn and fabrics. However, the Target Company has not generated any operating revenue for the last 5 years.
- 5.4 The Equity Shares of the Target Company are presently listed on BSE Ltd (Security ID: JAGJANANI, Security Code: 532825). The ISIN of the Equity Shares of the Target Company is INE702H01018. The Target Company has already established connectivity with Central Depositories Services (India) Limited ('CDSL') and National Securities Depository Limited ('NSDL'). The Equity Shares of the Target Company have not been delisted from any Stock Exchange in India.

- 5.5 The Equity Shares are frequently traded on BSE Limited for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations. Please refer to paragraph 7.2 of this LOF for further details.
- 5.6 There are no outstanding shares of the Target Company that have been issued but not listed on BSE.
- 5.7 As on date of this LOF, the trading in Equity Shares of the Target Company is not suspended at BSE Limited. The trading in Equity Shares of Target Company is under X/T+1 Category and is GSM: Stage 0 and ASM ST: Stage 1. The trading in the Equity Shares of the Target Company was suspended vide Notice No. 20180319-32 dated March 19, 2018 which was subsequently revoked from August 19, 2022 vide BSE letter dated August 18, 2022.
- 5.8 The Equity Share Capital of the Target Company as on the date of this LOF is as follows:

| Sr. No. | Particulars | Number of Equity Shares | Aggregate in amount (₹) |
|--|--|-------------------------|----------------------------|
| 1. | Authorized Equity Share Capital | 1,80,00,000 | 18,00,00,000 |
| 2. | Issued, Subscribed and Fully Paid-Up Share Capital | 1,56,00,000 | 15,60,00,000 |
| The face value of the equity shares: Rs. 10/- (Rupees Ten Only) | | | |

- 5.9 The Board of Directors of the Target Company as on the date of this LOF are as follow:

| Name of the Director | DIN | Date of Appointment | Designation |
|------------------------|----------|---------------------|------------------------------------|
| Shiv Kumar Singhal | 00075934 | July 23, 1997 | Executive Director-Chairperson |
| Kavita Jain | 01424171 | March 29, 2017 | Non-Executive Independent Director |
| Shri Gopal Vyas | 01905310 | September 30, 2015 | Executive Director |
| Rajesh Chunilal Shah | 03125089 | March 29, 2017 | Non-Executive Independent Director |
| Shakti Singh Shekhawat | 05167933 | March 29, 2017 | Non-Executive Independent Director |

- 5.10 In the shareholding pattern filed, certain member of the promoter group entities i.e. Rita Singhal, Madhavi Vyas and BSA Holdings Private Limited, have been wrongly classified as public shareholders.
- 5.11 As disclosed in the shareholding pattern filed by the Target Company in accordance with Regulation 31 of the SEBI (LODR) Regulations, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as

depository receipts, fully convertible debentures or warrants), issued by the Target Company.

- 5.12 There has been no merger/ de-merger, spin off during the last 3 years involving the Target Company.
- 5.13 The Target Company has in the past delayed the disclosures to be made in accordance with the provisions of SEBI (LODR) Regulations 2015. SEBI may take appropriate action against the Target Company for such non-compliance/ delayed compliance.
- 5.14 The current promoters have failed to file necessary disclosures in accordance with the provisions of Chapter V of the SEBI (SAST) Regulations, the details of which are specified as under:

| Sr. No. | Name of Promoters | Regulation | F.Y. | Due date of compliance | Actual compliance date | Delay, if any | Status of compliance with Takeover Regulations | Remarks, if any |
|---------------|-------------------|---------------|---------------|------------------------|------------------------|----------------|--|-----------------|
| 1. | Gopal Vyas | 30(1) and (2) | 2014-15 | April 07, 2015 | | | Non-Complied | - |
| | | 30(1) and (2) | 2015-16 | April 07, 2016 | - | Yes | Non-Complied | - |
| | | 30(1) and (2) | 2016-17 | April 07, 2017 | - | Yes | Non-Complied | - |
| | | 30(1) and (2) | 2017-18 | April 07, 2018 | April 08, 2019 | Yes | Delay Complied | - |
| | | 30(1) and (2) | 2018-19 | April 07, 2019 | May 25, 2019 | Yes | Delay Complied | - |
| | | 30(1) and (2) | 2019-20 | April 07, 2020 | May 11, 2020 | Yes | Delay Complied | - |
| | | 31(4) | 2019-20 | April 07, 2020 | - | Yes | Non-Complied | - |
| | | 31(4) | 2022-23 | April 07, 2023 | - | Yes | Non-Complied | - |
| | | 2. | S. K. Singhal | 29(1) and (2) | 2012-13 | April 07, 2013 | - | Yes |
| 29(1) and (2) | 2014-15 | | | April 07, 2015 | - | Yes | Non-Complied | - |
| 29(1) and (2) | 2015-16 | | | April 07, 2016 | - | Yes | Non-Complied | - |
| 30(1) and (2) | 2014-15 | | | April 07, 2015 | - | Yes | Non-Complied | - |
| 30(1) and (2) | 2015-16 | | | April 07, 2016 | - | Yes | Non-Complied | - |
| 30(1) and (2) | 2016-17 | | | April 07, 2017 | - | Yes | Non-Complied | - |
| 30(1) and (2) | 2017-18 | | | April 07, 2018 | April 09, 2019 | Yes | Delay Complied | - |
| 30(1) and (2) | 2018-19 | | | April 07, 2018 | May 25, 2019 | Yes | Delay Complied | - |
| 30(1) and (2) | 2019-20 | | | April 07, 2020 | May 11, 2020 | Yes | Delay Complied | - |
| 30(1) and (2) | 2021-22 | | | April 07, 2022 | - | Yes | Non-Complied | - |
| 31(4) | 2019-20 | | | April 07, 2020 | - | Yes | Non-Complied | - |

| | | | | | | | | |
|----|---------------|-------|---------|----------------|---|-----|--------------|---|
| | | 31(4) | 2020-21 | April 07, 2021 | - | Yes | Non-Complied | - |
| | | 31(4) | 2022-23 | April 07, 2023 | - | Yes | Non-Complied | - |
| 3. | Ayush Singhal | 31(4) | 2019-20 | April 07, 2020 | - | Yes | Non-Complied | - |
| | | 31(4) | 2020-21 | April 07, 2021 | - | Yes | Non-Complied | - |
| | | 31(4) | 2021-22 | April 07, 2022 | - | Yes | Non-Complied | - |
| | | 31(4) | 2022-23 | April 07, 2023 | - | Yes | Non-Complied | - |
| 4. | Megha Jain | 31(4) | 2019-20 | April 07, 2020 | - | Yes | Non-Complied | - |
| | | 31(4) | 2020-21 | April 07, 2021 | - | Yes | Non-Complied | - |
| | | 31(4) | 2021-22 | April 07, 2022 | - | Yes | Non-Complied | - |
| | | 31(4) | 2022-23 | April 07, 2023 | - | Yes | Non-Complied | - |

- 5.15 Further, the current promoter and members of the promoter group have failed to make open offer in accordance with SEBI (SAST) Regulations, please refer para 7.2 for the details of acquisition which has triggered the open offer in the past.
- 5.16 The Target Company or its promoters and promoter group have not been declared as: (a) wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations; or (b) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- 5.17 As on the date of this LOF, except as set out above, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Target Company or the Current Promoter and Promoter Group which have been issued/ initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this LOF, no penalties have been levied by SEBI/ RBI against the Target Company or the Current Promoter and Promoter Group of the Target Company.
- 5.18 As on the date of this LOF, the current promoter and promoter group of the Target Company have not sought any general exemption under Regulation 10 of the SEBI (SAST) Regulations, and, accordingly, no report under Regulation 10(7) of the SEBI (SAST) Regulations has been filed by the current promoter and promoter group.
- 5.19 There are no contingent liabilities as on the date of this LOF.
- 5.20 The key financial information of the Target Company as extracted from its respective audited financial statements as of and for the financial years ended on March 31, 2023, March 31, 2022, March 31, 2021 and March 31, 2020 is as set out below:

(₹ in Lakhs, except for earnings per share)

| Profit & Loss Statement | | | | |
|--|--|--|--|--|
| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
| | Audited | Audited | Audited | Audited |
| Revenue from Operations | 0.00 | 0.00 | 0.00 | 0.00 |
| Other Income | 11.71 | 13.83 | 11.71 | 531.33 |
| Total Income | 11.71 | 13.83 | 11.71 | 531.33 |
| Total Operating Expenditure | 12.55 | 13.40 | 18.48 | 19.00 |
| Profit before Depreciation, Interest & Tax | (0.84) | 0.43 | (6.77) | 512.33 |
| Depreciation | 0.00 | 0.00 | 0.00 | 0.00 |
| Finance costs | 0.01 | 0.03 | 0.01 | 0.07 |
| Profit / (Loss) before Tax | (0.85) | 0.39 | (6.78) | 512.26 |
| Provision for Tax (including Deferred tax & Tax for earlier years) | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after Tax | (0.85) | 0.39 | (6.78) | 512.26 |
| | | | | |
| Other Financial Data | | | | |
| Dividend % | - | - | - | - |
| Earning Per Equity share | (0.027) | 0 | (0.00) | 3.28 |

(₹ in Lakhs, except for earnings per share)

| Balance Sheet Statement | For the year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2021 | For the year ended March 31, 2020 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | Audited | Audited | Audited | Audited |
| Sources of Funds | | | | |
| Paid up share capital | 1560.00 | 1560.00 | 1560.00 | 1560.00 |
| Reserves & Surplus (Excluding revaluation reserves) | (1935.89) | (1935.04) | (1935.43) | (1928.65) |
| Net Worth | (375.89) | (375.04) | (375.43) | (368.65) |
| Secured Loans | 0 | 0 | 0 | 0 |
| Unsecured Loans | 386.93 | 375.96 | 363.81 | 395.31 |
| Current Liabilities | 15.57 | 25.73 | 38.63 | 56.67 |
| Total | 26.61 | 26.65 | 27.01 | 83.33 |
| Uses of Funds | | | | |
| Net Fixed Asset | - | - | - | - |
| Non-current Assets | 20.64 | 20.64 | 20.64 | 20.64 |
| Current Assets | 5.97 | 6.01 | 6.37 | 62.69 |
| Total Miscellaneous Expenditure not written off | | - | - | - |
| Total | 26.61 | 26.65 | 27.01 | 83.33 |

Notes:

- 1) The key financial information for the financial year ended March 31, 2023 has been extracted from the audited financial results for the quarter/ year ended March 31, 2023 submitted to BSE under Regulation 33 of SEBI (LODR) Regulations.
- 2) The key financial information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 have been extracted from Target Company's annual reports for financial years 2021-2022, 2020- 2021 and 2019-2020, respectively.

5.21 The closing price of the Equity Shares on the date of the PA (i.e., April 6, 2023) and on the day just after the PA (i.e., April 10, 2023), is set out below:

| Stock Exchange ⁽¹⁾ | Closing Price on April 6, 2023 | Closing Price on April 10, 2023 |
|-------------------------------|--------------------------------|---------------------------------|
| BSE | 2.25 | 2.36 |

Notes:

(1) The Equity Shares of the Target Company are listed only on BSE Limited.

5.22 Pre-Offer and Post-Offer shareholding pattern of the Target Company is as per the following table:

| Sr. No. | Shareholder category | Shareholding & voting rights prior to the agreement/acquisition and offer (A)* | | Shares/voting rights agreed to be acquired which triggered off the Takeover Regulations (B)** | | Shares/Voting rights to be acquired in the open offer (assuming full acceptances)(C)** | | Shareholding/voting rights after the acquisition and Offer** | |
|-----------|--------------------------------------|--|--------------|---|--------------|--|--------------|--|--------------|
| | | No. of Equity Shares | %* | No. of Equity Shares | % | No. of Equity Shares | %^ | No. of Equity Shares | %^ |
| 1. | Promoter & Promoter Group | | | | | | | | |
| | S. K. Singhal | 26,54,000 | 17.01 | - | - | - | - | - | - |
| | Shri Gopal Vyas | 10,64,370 | 6.82 | - | - | - | - | - | - |
| | Ayush Singhal | 1,10,000 | 0.71 | - | - | - | - | - | - |
| | Megha Jain | 2,715 | 0.02 | - | - | - | - | - | - |
| | Total 1 | 38,31,085 | 24.56 | - | - | - | - | - | - |
| 2. | Acquirers and PAC | | | | | | | | |
| a | Acquirer 1 | - | - | 34,09,938 | 21.86 | 3042000 | 19.50 | 64,51,938 | 41.36 |
| b | Acquirer 2 | - | - | 34,09,937 | 21.86 | 1014000 | 6.50 | 44,23,937 | 28.36 |
| c | PAC | 1,26,585 | 0.81 | 10,30,030 | 6.60 | - | - | 11,56,615 | 7.41 |
| | Total 2 | 1,26,585 | 0.81 | 78,49,905 | 50.32 | 40,56,000 | 26.00 | 1,20,32,490 | 77.13 |

| | | | | | | | | | |
|---|---|--------------------|---------------|---|---|---|---|--------------------|---------------|
| 3 | Parties to the agreement other than 1 & 2(a) | | | | | | | | |
| | Rita Singhal | 2,00,000 | 1.28 | - | - | - | - | - | - |
| | Madhvi Vyas | 5,51,424 | 3.53 | - | - | - | - | - | - |
| | Shree Ganesh Projects Private Limited | 22,37,366 | 14.34 | - | - | - | - | - | - |
| | BSA Holdings Pvt Ltd | 10,30,030 | 6.60 | - | - | - | - | - | - |
| | Total 3 | 40,18,820 | 25.75 | - | - | - | - | - | - |
| 4 | Public (other than parties to agreement, acquirers & PACs) | | | | | | | | |
| a | FIs/MFs/FPIs/FIIs/Banks, SFI, Insurance Companies/AIFs | - | - | - | - | - | - | - | - |
| b | Others | 76,23,510 | 48.87 | | | | | 35,67,510 | 22.87 |
| | Total (a+b) | 76,23,510 | 48.87 | - | - | - | - | 35,67,510 | 22.87 |
| | Grand Total (1+2+3+4) | 1,56,00,000 | 100.00 | - | - | - | - | 1,56,00,000 | 100.00 |

[^]Calculated on the Voting Share Capital.

Notes:

Shareholding Pattern is based on Quarter ended March 31, 2023.

All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.

6. BACKGROUND OF SELLERS/SELLING SHAREHOLDERS

6.1 The Acquirers and PAC have entered into the Share Purchase Agreement (“SPA”) with the Selling Shareholders, on April 6, 2023, for acquisition of the Sale Shares i.e. 78,49,905 (Seventy-Eight Lakhs Forty-Nine Thousand Nine Hundred and Five Only) fully paid-up Equity Shares of ₹ 10/- each representing 50.32% of the paid-up and Voting Capital of Target Company) at a price of ₹ 0.85 (Eighty-Five paise) per Equity Share aggregating to ₹ 66,72,419.25 (Rupees Sixty-Six Lakhs Seventy-Two Thousand Four Hundred Nineteen and Twenty-Five Paise Only), subject to the terms and the conditions as mentioned in the SPA.

6.2 The details of Selling Shareholders are as follows:

| Sr. No. | Name of Selling Shareholders | Address | Nature of Entity | Part of Promoters/ Promoters Group (Yes/No) | Details of Shares/ Voting Rights held by the Selling Shareholders | | | |
|---------|---|--|------------------|---|---|-------|---------------------|---|
| | | | | | Pre-Transaction** | | Post Transaction*** | |
| | | | | | No. of Shares | % | No. of Shares | % |
| 1. | Shri Gopal Vyas (<i>Seller I</i>) | 92, Doctors Colony, D. C. M, Ajmer Road, Jaipur - 302021 (Rajasthan) | Individual | Yes | 10,64,370 | 6.82 | - | - |
| 2. | Shiv Kumar Singhal (<i>Seller II</i>) | F-14, Phase-1, Ashok Vihar H.O., North West Delhi, Delhi – 110052 | Individual | Yes | 26,54,000 | 17.01 | - | - |
| 3. | Ayush Singhal (<i>Seller III</i>) | F-14, Phase-1, Ashok Vihar H.O., North West Delhi, Delhi – 110052 | Individual | Yes | 1,10,000 | 0.71 | - | - |
| 4. | Megha Jain (<i>Seller IV</i>) | BL11, Shalimar Bagh West, Delhi – 110088 | Individual | Yes | 2,715 | 0.02 | - | - |
| 5. | Rita Singhal* (<i>Seller V</i>) | F-14, Phase-1, Ashok Vihar H.O., North West Delhi, Delhi – | Individual | Yes | 2,00,000 | 1.28 | - | - |

| | | | | | | | | |
|----|--|---|-------------------|-----|-----------|-------|---|---|
| | | 110052 | | | | | | |
| 6. | Madhvi Vyas* (<i>Seller VI</i>) | 92, Doctors Colony, D.C.M, Ajmer Road, Jaipur - 302021 (Rajasthan) | Individual | Yes | 5,51,424 | 3.53 | - | - |
| 7. | Shree Ganesh Projects Private Limited# (<i>Seller VII</i>) | 4 Synagogue Street, Kolkata - 700001 (West Bengal) | Body Corporate | No | 22,37,366 | 14.34 | - | - |
| 8. | BSA Holdings Pvt Ltd*# (<i>Seller VIII</i>) | 16-Brij Nagar, Jalandhar - 144003 (Punjab) | Body Corporate | No | 10,30,030 | 6.60 | - | - |

**Rita Singhal and Madhvi Vyas are immediate Relative of the promoters and BSA Holdings Pvt. Ltd, is company in which promoter and members of the promoter group have control. However, Rita Singhal, Madhvi Vyas and BSA Holdings Pvt Ltd have been disclosed as public shareholder in the publicly available shareholding pattern of the Target Company*

Shree Ganesh Projects Private Limited and BSA Holdings Pvt Ltd have been disclosed as shareholder under the Public Category in the publicly available shareholding pattern of the Target Company as per the explanation II of Clause 6.8.3.2 (k) of the SEBI (DIP) Guideline in the prospectus dated January 23, 2007

***The pre-transaction shareholding percentage of the Seller is calculated after considering the Voting Capital of the Target Company as of the date of this Public Announcement*

****The post-transaction shareholding of the Seller reflects the shareholding of the Seller post consummation of the SPA.*

6.3 As on the date of this LOF, the Sellers as mentioned above have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (“**SEBI Act**”) or under any other Regulations, made under the SEBI Act

6.4 As on the date of LOF, the Sellers are not a part of any group.

6.5 There is no lien, encumbrance or lock-in on the shares held by the Sellers and shares will be transferred free from all encumbrances, and lock-in requirements.

6.6 Post completion of the Offer formalities, the Sellers shall relinquish the control and management of the Target Company in favour of the Acquirers, in accordance with and in compliance with Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”).

- 6.7 The Sellers have confirmed they have not been categorized as a “Willful Defaulter” in terms of Regulation (1) (ze) of the SEBI (SAST) Regulations, 2011. They further confirm that they are not appearing in the willful defaulter’s list of the Reserve Bank of India.
- 6.8 As on the date of this LOF, the Sellers have not been categorized as a Fugitive Economic Offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) as per Regulation 2(1) (ja) of SEBI (SAST) Regulations, 2011.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Offer Price

7.1.1 The Equity Shares of the Target Company are only listed on BSE.

7.1.2 The trading turnover in the Equity Shares of the Target Company on BSE Ltd based on trading volume during twelve calendar months preceding the month of PA, is as set out below:

| Name of the Stock Exchange | Period | Number of Equity Shares traded (A) | Total number of Equity Shares (B) | Trading Turnover (as % of total Equity Shares) (A/B) |
|-----------------------------------|----------------------------------|---|--|---|
| BSE Ltd | April 01, 2022 to March 31, 2023 | 23,77,993 | 1,56,00,000 | 15.22% |

(Source: www.bseindia.com)

- 7.1.3 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 on BSE Limited.
- 7.1.4 The Offer Price of ₹ 6.50 /- (Rupees Six and Fifty Paise Only) per Equity Share is justified as per provisions of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following parameter, including the interest computed in accordance with Regulation 18(11A):

| Sr. No. | Particular | 2023-24 (Pursuant to which this Offer is made) |
|---------|--|--|
| A. | The highest Negotiated Price per Share of the Target Company for any acquisition under the agreement attracting the obligation to make a Public Announcement of an open offer | ₹ 0.85/- per Equity Share. |
| B. | The volume-weighted average price paid or payable for acquisitions, whether by the Acquirers or the PAC during the fifty-two weeks immediately preceding the date of the PA | ₹ 4.26/- per Equity Share. |
| C. | The highest price paid or payable for any acquisition, whether by the Acquirers or the PAC, during the twenty-six weeks immediately preceding the date of the PA | ₹ 4.83/- per Equity Share. |
| 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. | ₹ 3.00/- per Equity Share. |
| E. | Since the Equity Shares are not frequently traded, the price determined by the Acquirers 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 ⁽¹⁾ |
| F. | the per share value computed under sub-regulation (5). | Not Applicable ⁽²⁾ |

**The per share value of the Target Company taken into account for the Proposed Transaction has been determined by CA Rohit Maloo, Registered Valuer bearing IBBI Registration No.: IBBI/RV/06/2019/11827, by way of certificate dated April 06, 2023.*

Notes:

- (1) *Not applicable as the Equity Shares are frequently traded.*
(2) *Not applicable since the acquisition is not an indirect acquisition.*

7.1.5 In view of the above parameters considered and presented in the table in Paragraph 7.1.4 above, the price of ₹ 6.40 per Equity Share is higher than the highest of the amounts specified above that has been calculated considering the interest factor at the rate of 10.00% (Ten Percent) per annum (highest price ₹ 4.83 plus interest ₹ 1.57), in accordance with the provisions of Regulation 18(11A) of the SEBI (SAST) Regulations, as an open offer had been triggered due to the acquisition of Equity Shares by the promoter and promoter group of the Target Company, in pursuance of which a public announcement should have had been made. However, the Acquirers and PAC have considered ₹ 6.50 as the Offer Price. Therefore, in terms of Regulation 8(2) of SEBI (SAST) Regulations, the Offer Price ₹ 6.50/- per Equity Share is justified.

7.2 Past open offer obligations

7.2.1 The erstwhile promoter and promoter group have acquired equity shares in the past which ought to have than triggered open offer. The details

of such obligation of the promoter and promoter group is detailed as under:

| Year | Reason for trigger | Applicable SEBI (SAST) Regulation |
|---------------------------|---|-----------------------------------|
| 2013-14 (Trigger Event 1) | Holding of promoter and promoter group exceeded 25% | 8(1) |
| 2014-15 (Trigger Event 2) | Creeping acquisition in excess of 4.99% | 8(2) |

7.2.2 The trading turnover in the Equity Shares of the Target Company on BSE Ltd based on trading volume during twelve calendar months preceding the month of such PA, is as set out below:

| Name of the Stock Exchange | Period | Number of Equity Shares traded (A) | Total number of Equity Shares (B) | Trading Turnover (as % of total Equity Shares) (A/B) | Status |
|----------------------------|--|------------------------------------|-----------------------------------|--|---------------------|
| BSE | December 01, 2013 to November 30, 2014 | 2,62,036 | 1,56,00,000 | 1.68% | Infrequently traded |
| | March 01, 2013 to February 28, 2014 | 10,34,520 | 1,56,00,000 | 6.63% | Infrequently traded |

7.2.3 The offer price as to be computed as per provisions of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, after considering the following parameter, is as under:

| Sr. No. | Particular | 2013-14 (Trigger Event 1) | 2014-15 (Trigger Event 2) |
|---------|---|---------------------------|---------------------------|
| A. | The highest Negotiated Price per Share of the Target Company for any acquisition under the agreement attracting the obligation to make a Public Announcement of an open offer | Not Applicable | Not Applicable |
| B. | The volume-weighted average price paid or payable for acquisitions, whether by the Acquirers or the PAC during the fifty-two weeks immediately preceding the date of the PA | ₹ 0.99/- per Equity Share | ₹ 1.12/- per Equity Share |
| C. | The highest price paid or payable for any acquisition, whether by the Acquirers or the PAC, during the twenty-six weeks immediately preceding the date of the PA | ₹ 0.72/- per Equity Share | ₹ 1.77/- per Equity Share |

| Sr. No. | Particular | 2013-14 (Trigger Event 1) | 2014-15 (Trigger Event 2) |
|---------|--|------------------------------|------------------------------|
| 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. | Not Applicable | Not Applicable |
| E. | Since the Equity Shares are not frequently traded, the price determined by the Acquirers 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. * | NIL (since negative) | NIL (since negative) |
| F. | the per share value computed under sub-regulation (5). | Not Applicable | Not Applicable |

**The per share value of the Target Company taken into account for the Proposed Transaction has been determined by CA Rohit Maloo, Registered Valuer bearing IBBI Registration No.: IBBI/RV/06/2019/11827, by way of certificate dated April 06, 2023.*

7.2.4 Further, the offer price as computed about above needs to be adjusted with interest factor at the rate of 10.00% (Ten Percent) per annum, in accordance with the provisions of Regulation 18(11A) of the SEBI (SAST) Regulations. The amount of interest payable is computed as herein below:

| Particulars | 2013-14 | 2014-15 |
|--|------------------|------------------|
| Price (Highest of the Price as per Regulation 8(2) and 8(8) of SEBI (SAST) Regulations, 2011) | 0.99 | 1.77 |
| Interest | 0.95 | 1.57 |
| Triggering event | January 01, 2014 | October 01, 2014 |
| Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares | August 17, 2023 | August 17, 2023 |
| Delayed Days | 3,515 | 3,242 |
| Rate of Interest | 10.00% | 10.00% |
| Total (Price + Interest) | 1.94 | 3.34 |

7.3 There has been no revision in the Offer Price since the date of the PA till the date of this LOF. The offer price may be subject to upward revision if any, pursuant to the SEBI (SAST) Regulations or at discretion of Acquirers and PAC at any time prior to one (1) working days before the date of commencement of the tendering period of this offer in accordance of Regulation 18(4) of the SEBI (SAST) Regulations. In event of such revision, the Acquirers and PAC shall make corresponding increases to the Escrow amounts. In the event of such revision, the Acquirers and PAC would notify (i) make a public announcement in the same newspaper in which the DPS has

been published; and (ii) simultaneously with the issue of such public announcement, inform BSE, SEBI and the Target Company at its registered office of such revision.

- 7.4 There have been no corporate actions in the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 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 LOF 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.
- 7.5 In the event of any acquisition of Equity Shares by the Acquirers and PAC 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 and PAC 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.
- 7.6 If the Acquirers and PAC acquires Equity Shares of the Target Company during the period of twenty- six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers and PAC shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in 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 an open offer as per the SEBI (SAST) Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.
- 7.7 **Financial Arrangements**
- 7.7.1 The total fund requirement for the Open Offer (assuming full acceptances) i.e., for the acquisition upto 40,56,000 (Forty Lakhs Fifty-Six Thousand) Equity Shares representing 26.00% of the Voting Capital of the Target Company at an Offer Price of ₹ 6.50/- (Rupees Six and Fifty Paise Only) per equity Share is ₹ 2,63,64,000/- (Rupees Two Crores Sixty-Three Lakhs Sixty-Four Thousand Only) (the “**Maximum Consideration**”).
- 7.7.2 The Acquirers and PAC have adequate resources and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The additional fund requirement, if any, for acquisition under this Open Offer will be financed from their own resources/ Net-worth.
- 7.7.3 Kishan Kanani, (Membership No. 192347) partner of S N D K & Associates LLP (Firm Registration No. W100060) Chartered

Accountants, having its office at 10-B, Government Society Co-op Soc, Opp. Municipal Market, C. G. Road, Navrangpura, Ahmedabad – 380009, Gujarat, India has certified that the Acquirers and PAC have Adequate financial resources and have made firm arrangements for the implementation of the Open Offer in full out of their own resources/ Net-worth and no borrowings from any Bank or any Financial Institution are envisaged.

- 7.7.4 The Acquirers, the PAC, the Manager to the Offer and ICICI Bank Limited having its branch office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Gujarat, Pin code - 390 007, Gujarat, India, have entered into an Escrow Agreement dated April 07, 2023 for the purpose of the Offer (the “**Escrow Agreement**”) in accordance with Regulation 17 of the SEBI (SAST) Regulations. In terms of the Escrow Agreement in accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have deposited cash of ₹ 2,63,25,000 (Rupees Two crores Sixty-Three Lakhs Twenty-Five Thousand Only) in an Escrow Account bearing name and style as Manojbhai JTL Open Offer Escrow Account, (the “**Escrow Account**”) opened with ICICI Bank Limited.
- 7.7.5 The Acquirers and PAC has duly empowered Fedex Securities Private Limited, the Manager to the Open Offer, to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.
- 7.7.6 Further, in order to ensure that the funds that are payable to the Public Shareholders who tender in the Offer are managed more efficiently, the Acquirers and PAC have opened the Offer Special Account bearing name and style as ‘Manojbhai JTL Open Offer Special Escrow Account’ with the ICICI Bank Limited under the Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations. The Manager to the Offer has been authorized by the Acquirers and PAC to operate and realize the monies lying to the credit of Manojbhai JTL Open Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 7.7.7 Based on the aforesaid financial arrangements made by the Acquirers, the PAC and on the confirmations received from Kishan Kanani, (Membership No. 192347) partner of S N D K & Associates LLP (Firm Registration No. W100060), Chartered Accountants, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers and PAC to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 7.7.8 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 and PAC in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.
- 7.7.9 Offer is satisfied that firm arrangements have been put in place by the Acquirers and PAC to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 7.7.10 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 and PAC in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

8. TERMS AND CONDITIONS OF THE OPEN OFFER

8.1 Operational Terms and Conditions

- 8.1.1 The Letter of Offer will be mailed to all those Public Shareholders of the Target Company whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Wednesday, July 05, 2023.
- 8.1.2 The Identified Date for this Open Offer as per the indicative schedule of key activities is Wednesday, July 05, 2023. In terms of the indicative schedule of activities, the Tendering Period for the Offer shall commence on Wednesday, July 19, 2023 and closes on Tuesday, August 01, 2023.
- 8.1.3 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time from the commencement of the Tendering Period but prior to the Offer Closing Date. Subject to the receipt of the statutory approvals as specified in paragraph VIII C of this LOF, the Acquirers and PAC, up to 10 Working Days from the Offer Closing Date have to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 8.1.4 This Offer is being made by the Acquirers and PAC to (i) all the Public Shareholders, whose names appear in the Register of Members of the Target Company as of the close of business on 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. August 01, 2023, but who are not the registered Public Shareholders.
- 8.1.5 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. The Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 8.1.6 The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of SEBI (SAST) Regulations.
- 8.1.7 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 and PAC, up to 10th (ten) Working Days from the closure of the Tendering Period have to

pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.

- 8.1.8 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.
- 8.1.9 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.
- 8.1.10 The locked-in Equity Shares, if any, may be tendered in the Open Offer and 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 non-locked-in Equity Shares.
- 8.1.11 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.
- 8.1.12 The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer, which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 8.1.13 The LOF shall be sent (through e-mail or physical mode) to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.linkintime.co.in), the Stock Exchanges (www.bseindia.com) or the Manager to the Offer (www.fedsec.in).

- 8.1.14 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.
- 8.1.15 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.
- 8.1.16 There has been no revision in the Offer Price or Offer Size as on the date of this Letter of Offer. The Acquirers and PAC 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 and PAC shall: (i) make a corresponding increase to the Escrow Amount; (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 and PAC 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.
- 8.1.17 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.
- 8.1.18 The acceptance to the Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Acquirers and PAC 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 slip etc.) and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 8.1.19 Copies of PA, DPS and Corrigendum are available on the website of SEBI at www.sebi.gov.in and copies of the DLOF and this LOF (including Form of Acceptance) are expected to be available on the website of SEBI at www.sebi.gov.in.
- 8.2 Eligibility for accepting the Open Offer
- 8.2.1 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 dematerialized 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.

- 8.2.2 This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.
- 8.2.3 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.
- 8.2.4 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.
- 8.2.5 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 and PAC 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 and PAC reserve the right to reject such Offer Shares.
- 8.2.6 The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 8.2.7 The instructions, authorizations and provisions contained in the Form of Acceptance-cum- Acknowledgement constitute part of the terms of the Offer.
- 8.2.8 The Acquirers, the PAC, Manager to the Offer, or the Registrar to the Offer accept no responsibility for any loss of Equity Share certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard
- 8.2.9 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.
- 8.3 Statutory and Other Approvals

- 8.3.1 As on the date of this LOF, there are no statutory approvals required to complete Underlying Transaction and to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirers and PAC shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirers and PAC shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers and PAC to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers and PAC to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers and PAC in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirers and PAC 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: (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 and PAC from performing their obligations hereunder, or (c) SEBI instructing the Acquirers and PAC not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. 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.
- 8.3.2 NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit copies of such approvals/exemptions along with the documents required to accept this Offer. If the aforementioned documents are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer. If the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer.
- 8.3.3 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirers and PAC shall have the right to withdraw the Open Offer in the event that any of the statutory approvals specified in this LOF as set out in Part VIII C (Statutory and Other Approvals) below or those which become applicable prior to completion of the Open Offer are finally refused. In the event of such a withdrawal of the Open Offer, the Acquirers

and PAC (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and will also be filed with SEBI, BSE Limited and the registered office of the Target Company.

8.3.4 The Acquirers and PAC does not require any approvals from Financial Institutions or Banks for this Offer.

8.3.5 The Acquirers and PAC shall complete all procedures relating to payment of consideration under this Open Offer within 10 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.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

9.1 All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.

9.2 The Open Offer will be implemented by the Acquirers and PAC through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ('Acquisition Window') as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular dated December 09, 2016, as per further amendment vide SEBI circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021.

9.3 The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE in the form of a separate window ('Acquisition Window'). BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer.

9.4 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.

9.5 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares agreed to be acquired in this Offer, the Acquirers and PAC shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

9.6 The Acquirers and PAC have appointed Choice Equity Broking Private Limited ("**Buying Broker**") for the Offer through whom the purchase

and settlement of the Equity Shares tendered in the Offer shall be made. The contact details of the Buying Broker are as mentioned below:

| | |
|------------------------------------|--|
| Name of the Contact Person | Jeetender Joshi |
| Address | Choice house, sunil patodia tower, Andheri (East), Mumbai - 400 099 |
| CIN | U65999MH2010PTC198714 |
| Tel No | 022 6707 9832 |
| Fax No | 022 6707 9999 |
| Email id | jeetender.joshi@choiceindia.com |
| Investor Grievance Email id | ig@choiceindia.com |
| Website | www.ig@choiceindia.com |
| SEBI Registration No. | INZ000160131 |

- 9.7 Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers (“**Selling Broker**”) within the normal trading hours of the secondary market, during the Tendering Period.
- 9.8 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.
- 9.9 The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 9.10 Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
- 9.11 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.
- 9.12 Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
- 9.13 Shareholders should not submit/tender their equity shares to Manager to the Open offer, the Acquirers, the PAC or the Target Company.
- 9.14 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. Choice Equity Broking Private Limited to bid by using quick UCC facility.

9.15 Procedure for tendering Equity Shares held in Dematerialised Form:

- 9.15.1 Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 9.15.2 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 9.15.3 The lien shall be marked in demat account of the Public Shareholders for the Equity Shares tendered in this Offer. The details of Equity Shares marked as lien in the demat account of the Eligible Public Shareholders shall be provided by Depositories to the Clearing Corporation.
- 9.15.4 For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 9.15.5 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 9.15.6 The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.
- 9.15.7 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 9.15.8 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.
- 9.15.9 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.
- 9.15.10 For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The

custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.

- 9.15.11** 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. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 9.15.12** Public Shareholders should not place orders through the Target Company, the Acquirers, the PAC, the Manager to the Offer or the Registrar to the Offer
- 9.15.13** 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.
- 9.15.14** It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed acceptance form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the tender for this Offer shall be deemed to have been accepted.
- 9.15.15** 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 super scribed as “**Jagjanani Textiles Limited - Open Offer**”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 9.16 Procedure for tendering Equity Shares held in Physical form
- 9.16.1** 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 dematerialized 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
- 9.16.2** The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- i. 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;
 - ii. Original share certificate(s);
 - iii. 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;
 - iv. Self-attested PAN Card copy (in case of Joint holders, PAN card copies of all transferors);

- v. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature); and
- 9.17 In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport
- 9.18 Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("TRS") generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 9.19 The Selling Broker(s)/ Public Shareholders has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post / speed post or courier or hand delivery to the Registrar to the Offer i.e., Link Intime India Private Limited at Link Intime India Private Limited, C-101, 247 Park, LBS Marg, Vikroli (West), Mumbai 400083, Maharashtra, India within 2 days of bidding by the Selling Broker and not later than 2 (two) days from the Closing offer period August 01, 2023 (by 5 PM (IST)). The envelope should be superscribed as "**Jagjanani Textiles 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.
- 9.20 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 bids'. Once, the Registrar to the Offer confirms the orders it will be treated as 'confirmed bids'. 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.
- 9.21 In case any person has submitted Equity Shares in physical form for dematerialization, 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.
- 9.22 All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company.
- 9.23 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.

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

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

9.24.2 A Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.

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

9.24.4 In case of non-receipt of the Letter of Offer, such eligible 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 obtaining a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the registrar's website www.linkintime.co.in

9.24.5 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 this LOF. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the Offer Closing Date.

9.25 Acceptance of Equity Shares

9.25.1 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 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.

- 9.25.2** As per the recent amendment of SEBI vide its circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.
- 9.26 Settlement Process
- 9.26.1** 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.
- 9.26.2** The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market
- 9.26.3** While it would be ensured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 9.26.4** For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction are rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 9.26.5** In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 9.26.6** The Equity Shareholders will have to ensure that they keep the depository participant ('DP') account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Offer.
- 9.26.7** Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer

by the Equity Shareholders holding Equity Shares in the physical form.

- 9.26.8** Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Open Offer. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 9.26.9** Equity Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Equity Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Equity Shareholders.
- 9.26.10** Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirers.
- 9.26.11** Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
- 9.26.12** Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer
- 9.26.13** The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 9.26.14** For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 9.26.15** The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 9.26.16** The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 9.26.17** Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, 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 consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers and PAC accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

9.27 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers and PAC for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers and PAC agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

10. NOTES ON TAXATION

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, 2022) AND THE RULES 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 INCOME-TAX ACT, 1961 AND INCOME-TAX RULES, 1962. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY OF INCOME-TAX IMPLICATIONS, RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN THE OPEN OFFER OFF THE RECOGNISED STOCK EXCHANGE, AS SET OUT BELOW 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 OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 1961.

10.1 General:

- 10.1.1** 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.
- 10.1.2** 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.
- 10.1.3** 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”.
- 10.1.4** 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.
- 10.1.5** 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.
- 10.1.6** 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).
- 10.1.7** 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 are levied at the rate of 4% of the income tax and surcharge
- 10.1.8** 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.
- 10.1.9** 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.

10.1.10 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.

10.2 Classification of Shareholders: Shareholders can be classified under the following categories:

- i. Resident Shareholders being:
 1. Individuals, Hindu Undivided Family (HUF), Association of Persons (“AOP”) and Body of Individuals (“BOI”)
 2. Others
- ii. Non-Resident Shareholders being:
 1. Non-Resident Indians (NRIs)
 2. Foreign Portfolio Investors (FPIs)
 3. Others:
 - a. Company
 - b. Other than company

10.3 **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:

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

10.4 **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 (“**FII**s”):
- (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 allow 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.

10.5 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.

10.6 Investment Funds:

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

10.7 Mutual Fund

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 authorized 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.

10.8 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.

10.9 Withholding Tax implications:

- (a) Remittance/Payment of Consideration
- (b) Resident shareholders:
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 Acquirers 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 – 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.
- (d) Non-resident shareholders (other than FIIs):
Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-

Acknowledgement.

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

However, the 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.

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.

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.

(e) Remittance/Payment of Interest

- a) 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.
- b) 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.

- c) Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirers, the Acquirers 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.
- d) 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.
- e) 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.

10.10 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:
- (c) 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.
 - (i) Tax Residency Certificate;
 - (ii) Form 10F;
 - (iii) 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;
 - (iv) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirers;
 - (v) 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
 - (vi) SEBI registration certificate for FII and FPI.

10.11 Tax Deduction Certificate

The Acquirers 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 Acquirer.

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

10.12 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 crores and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crores.
- 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 crores and @ 2% where the total income exceeds Rs.1 crore but less than Rs. 10 crores.
- In case of individuals, HUF, AOP, BOI:
 - i. Surcharge @ 10% is leviable where the total income exceeds Rs. 50 lakhs but less than Rs. 1 crore;
 - ii. Surcharge @ 15% is leviable where the total income exceeds Rs. 1 crore but does exceed Rs.2 crores;
 - iii. Surcharge @ 25% is leviable where the total income exceeds Rs. 2 crores but does exceed Rs.5 crores; and
 - iv. Surcharge @ 37% is leviable where the total income exceeds Rs. 5 crores.
 - v. 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%.
 - vi. 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.

10.13 Others

- i. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- ii. 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.
- iii. 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.

- iv. 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

ANDFOR 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.

11. 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 - (East), 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:

- i. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Target Company;
- ii. Copy of SPA dated April 06, 2023;
- iii. Copies of the annual reports of the Target Company for the financial years ended March 31, 2020, March 31, 2021, and March 31, 2022, and audited financial statements for the financial year ended March 31, 2023, reviewed by the independent statutory auditor of the Target Company;
- iv. Certificates dated April 24, 2023 and July 07, 2023 issued by M/s. Kishan Kanani, partner (Membership No. 192347) of S N D K & Associates LLP, Chartered Accountants (FRN: W100060) certifying the Net worth of Acquirers and PAC.
- v. Copy of the Escrow Agreement dated April 07, 2023 between the Acquirers, the PAC, ICICI Bank Limited (Escrow Bank) and the Manager to the Open Offer;
- vi. Copy of the certificates dated April 24, 2023 and July 07, 2023, issued by M/s. Kishan Kanani, partner (Membership No. 192347) of S N D K & Associates LLP, Chartered Accountants (FRN: W100060), certifying the adequacy of financial resources of the Acquirers to fulfill the Offer obligations;
- vii. Copy of the certificate dated April 06, 2023 and July 07, 2023, issued by Certificate issued by CA Rohit Maloo, Registered Valuer (IBBI Registration No.: IBBI/RV/06/2019/11827), certifying the computation of the Offer Price;
- viii. Bank Statement received from ICICI Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- ix. Copy of the PA dated April 06, 2023 and submitted to the Stock Exchange(s), SEBI and Target Company;
- x. Copy of the DPS dated April 15, 2023 published by the Manager to the Offer on behalf of the Acquirers and PAC on April 17, 2023;

- xi. Copy of the Corrigendum to DPS dated April 21, 2023 published by the Manager to the Offer on behalf of the Acquirers and PAC on April 22, 2023;
- xii. Copy of the letters received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Escrow Account dated April 12, 2023 and July 07, 2023;
- xiii. Copy of the recommendation to be published on July 17, 2023 made by the Committee of Independent Directors (IDC) of the Target Company; and
- xiv. Copy of the letter number SEBI/HO/CFD/DCR-2/P/OW/2023/26841/1 from SEBI dated July 03, 2023 containing its observations on the Draft Letter of Offer.

12. DECLARATION BY THE ACQUIRERS AND PAC

- 12.1** The Acquirers and PAC accept full responsibility for the information contained in this LOF 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 Manager and shall be jointly and severally responsible for the fulfilment of obligations of the Acquirers and PAC under the SEBI (SAST) Regulations in respect of this Offer.
- 12.2** The Acquirers and PAC shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 12.3** The information pertaining to the Target Company contained in the PA, the DPS, the Corrigendum, the DLOF or this LOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company, have not been independently verified by the Manager. The Acquirers and PAC does not accept full responsibility with respect to any information provided in the PA, the DPS, the Corrigendum, the DLOF or this LOF pertaining to the Target Company.

For and on behalf of Acquirers and PAC:

| Signed by the Acquirers: | | Signed by PAC: |
|---------------------------------|--------------------------------------|-----------------------|
| Sd/- | Sd/- | Sd/- |
| Manojbhai J. Patel | Avanishkumar Manojkumar Patel | Surendra Shah |

Date: July 07, 2023

Place: Mumbai