

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of offer ("**Letter of Offer**" / "**LOF**") will be send to you as a Public Shareholder (*as defined below*) of Shreyas Intermediates Limited ("**Target Company**"). If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer (*as defined below*)/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was affected.

KRISH PHARMA SPECIALITY PRIVATE LIMITED (ACQUIRER)

Resident Address: 404, Naman Centre, C-31, G Block, Bandra Kurla Complex, Bandra East, Mumbai -400051, Maharashtra, India; Tel: 022 4968 5657

OPEN OFFER FOR ACQUISITION UP TO 61,20,405 (SIXTY-ONE LAKH TWENTY THOUSAND FOUR HUNDRED AND FIVE) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 10/- (RUPEES TEN ONLY) EACH ("EQUITY SHARE"), REPRESENTING THE ENTIRE PUBLIC SHAREHOLDING CONSTITUTING 8.64%* OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF SHREYAS INTERMEDIATES LIMITED (THE "TARGET COMPANY"), BY KRISH PHARMA SPECIALITY PRIVATE LIMITED ("ACQUIRER") ("OFFER" OR "OPEN OFFER"), 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 THE TARGET COMPANY

*(*As per SEBI (SAST) Regulations, the open offer under regulation 3 and 4 shall be for at least 26% of the total shares of the target company, as of 10th working day from the closure of the Tendering Period (as defined below). However, post-acquisition of Equity Shares under the SPA (as defined below), the public shareholding of the Target Company is 8.64%, and therefore, the Offer Shares (as defined below) represent 8.64% of the fully paid-up Voting Share Capital of the Target Company.)*

SHREYAS INTERMEDIATES LIMITED ("Target Company")

Registered Office: Plot Nos. D-21, D-22, D-23, M.I.D.C. Industrial Estate, Lote Parshuram, Taluka – Khed, District: Ratnagiri- 415722, Maharashtra, India
CIN: L24120PN1989PLC145047
Tel: +91 022 42766500; **Fax:** 022-66924202
Email id: info.shreyasintermediates@gmail.com
Website: www.shreyasintermediates.co.in



Please Note:

1. This Open Offer (as defined below) is a mandatory offer made by the Acquirer, in pursuance to Regulation 3(2), 4 and other applicable regulations of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares and Voting Rights pursuant to execution of the SPA between the Acquirer and the Seller (as defined below), on March 17, 2022.
2. This Open Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This is not a competitive offer in accordance with the provisions of Regulation 20 of the SEBI (SAST) Regulations, and there has been no competing offer as on date of this Draft Letter of Offer. If there is a competitive offer, then the Offer under all subsisting bids shall open and close on the same date.
4. As on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer, there are no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Offer. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory or other governmental approval(s). Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
5. In case of delay in receipt of any statutory approval(s) mentioned in Section VII Part C of this DLOF or any other 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 Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the 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 Acquirer 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 Acquirer 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.

6. The Acquirer shall accept all Equity Shares validly tendered by the Public Shareholders, in consultation with the Manager to Open offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 only.
7. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last one (1) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the Escrow Amount (as defined below); (ii) make a public announcement in the same Newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchange(s), and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the three (3) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. The same price shall be payable by the Acquirer for all the Equity Shares tendered anytime during the Open Offer.
8. Public Shareholders classified as OCBs (as defined below), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI (as defined below) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer and submit such approvals, along with the Form of Acceptance (as defined below) and other documents required to accept this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer.
9. Copies of the Public Announcement (“PA”) (as defined below), the Detailed Public Statement (“DPS”) are available on the website of SEBI (www.sebi.gov.in), and copies of this Draft Letter of Offer and Letter of Offer (“LOF”) (including the Form of Acceptance) will be available on the website of SEBI (www.sebi.gov.in)

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

 <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 Fax No.: 022 2618 6966 E-mail: mb@fedsec.in Investor Grievance E-Mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Yash Kadakia SEBI Registration Number: INM000010163</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai-400083, Maharashtra, India Tel No.: 022 49186270 Email id: shreyasinter.offer@linkintime.co.in Website: www.linkintime.co.in Investor Grievance id: shreyasinter.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: INR000004058</p>
<p>OFFER OPEN ON: May 13, 2022</p>	<p>OFFER CLOSES ON: May 27, 2022</p>

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Sr. No.	Activity	Date*
1.	Date of Public Announcement	Thursday, March 17, 2022
2.	Date of publishing of Detailed Public Statement	Friday, March 25, 2022
3.	Last date of filing Draft Letter of Offer with SEBI	Friday, April 01, 2022
4.	Last date for public announcement for competing offer(s)**	Tuesday, April 19, 2022
5.	Last date for receipt of comments from SEBI on the Draft Letter of Offer	Tuesday, April 26, 2022
6.	Identified Date#	Thursday, April 28, 2022
7.	Date by which Letter of Offer to be dispatched to the Shareholders	Friday, May 6, 2022
8.	Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	Wednesday, May 11, 2022
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Thursday, May 12, 2022
10.	Date of publication of Open Offer opening public announcement, in the newspapers in which the DPS has been published	Thursday, May 12, 2022
11.	Date of Commencement of Tendering Period (Offer Opening Date)	Friday, May 13, 2022
12.	Date of Expiration of Tendering Period (Offer Closing Date)	Friday, May 27, 2022
13.	Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	Friday, June 10, 2022
14.	Last date for filing the Report with SEBI	Friday, June 17, 2022
15.	Last date for publication of post Open Offer public announcement in the newspapers in which the DPS has been published	Friday, June 17, 2022

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

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

Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer shall be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and party to SPA) are eligible to participate in the Offer any time before the closure of the Offer

RISK FACTORS RELATING TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRER

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

1. RISKS RELATING TO THE UNDERLYING TRANSACTION:

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

2. RISKS RELATING TO THE OFFER

- As on the date of this Draft Letter of Offer, to the best of knowledge and belief of the Acquirer; there are no other statutory approvals required to acquire the Equity Shares of the Target Company that are validly tendered pursuant to this Open Offer or to complete this Open Offer, for further details kindly refer to Section VII Part C titled as '*Statutory Approvals and conditions of the Open Offer*' at page number 31 of this Draft Letter of Offer. However, if any other statutory approvals are required prior to the completion of this Open Offer, then this Open Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date;
- In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Open Offer, or (c) SEBI (term defined below) instructs the Acquirer not to proceed with this Open Offer, then this Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, payment of consideration to the Public Equity Shareholders of the Target Company whose Equity Shares have been accepted in this Open Offer as well as the return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirer to diligently pursue such approvals, grant an extension for the purpose of completion of this Open Offer, subject to the Acquirer agreeing to pay interest to the Public Equity Shareholders for the delay beyond 10th (Tenth) Working Day from the date of Closure of Tendering Period, as may be specified by SEBI. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer 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 Acquirer shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
- In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or

(b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirer may be delayed.

- Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation /Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- The Public Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period, in terms of Regulation 18(9) of SEBI SAST Regulations, even if the acceptance of the Equity Shares in this Open Offer and/or dispatch of consideration is delayed. The tendered Equity Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed;
- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, this DLOF and the Letter of Offer, and anyone placing reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) would be doing so at his/her/its or their own risk.
- This DLOF has not been and is not intended to be filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLOF, and all shareholders should independently consult their respective tax advisors.
- For the purpose of disclosures in the PA or DPS or this DLOF in relation the Target Company and/or the Seller, the Acquirer and Manager have relied on the information published or provided by the Target Company and/or the Seller, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Seller. The Acquirer do not accept any responsibility with respect to any misstatement by the Target Company and/or the Seller, as the case may be, in relation to such information.
- None of the Acquirer, the Manager, or the Registrar, accept any responsibility for any loss of documents during transit (including but not limited to the Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

3. RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRER

- The Acquirer, and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer.
- The Acquirer and Manager to the open Offer make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
- The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- Upon completion of the Open Offer (assuming full acceptances in the Open Offer) and the underlying transaction pursuant to the SPA, the public shareholding of the Target Company may fall below the minimum level of public shareholding as required to be maintained as per Regulation 38 of the SEBI (LODR) Regulations (*as defined below*) read with Rule 19A of the SCRR (*as defined below*). While the Acquirer is required to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and the SEBI (LODR) Regulations, within the time period stated therein through permitted routes and any other such routes as may be approved by SEBI from time to time, any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.
- None of the Acquirer or the Manager to open offer will be responsible in any manner for any loss of Offer acceptance documents during transit.
- The Acquirer and the Manager to the open Offer cannot predict the impact of the lockdown (if any) and other restrictions / concerns on account of the COVID-19 pandemic, on the Offer process.

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 Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for further risks with respect to their participation in the Open Offer.

DISCLAIMER FOR U.S. PERSONS

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

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

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

CURRENCY OF PRESENTATION

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

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I. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer	Krish Pharma Speciality Private Limited
Acquisition Window	Stock exchange mechanism made available by the Stock Exchanges in the form of a separate window to implement the Offer, as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI/HO/CFD//DCR-III/CIR/P/2021/615 dated August 13, 2021.
AOP	Association of Persons
BOI	Body of Individuals
Board/Board of Directors	Board of directors of the Target Company
BSE / Stock Exchange	BSE Limited
Buying Broker	Stock broker appointed by Acquirer for the purpose of this Open Offer i.e. Choice Equity Broking Private Limited
Companies Act	The Companies Act, 2013 as amended, substituted or replaced from time to time.
CDSL	Central Depository Services Limited
CIN	Company Identification Number
Clearing Corporation	Indian Clearing Corporation Limited and/or the National Securities Clearing Corporation
Current Voting Share Capital	shall mean the total voting equity share capital of the Target Company carrying voting rights as on the date of this Public Announcement (PA).
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirer dated March 25, 2022 in the newspapers: Business Standard Newspaper (English and Hindi - All editions) and Nav Shakti Newspaper (Regional - Mumbai edition)
DIN	Director Identification Number
DP	Depository participant
Draft Letter of Offer/DLOF	This Draft Letter of Offer dated March 30, 2022 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)/Share(s)	Fully paid-up equity shares of the Target Company with face value of Rs. 10/- (Rupees Ten only) each.
Equity Share Capital	The Issued, Subscribed and paid-up Share Capital of the Target Company as on the date of this Draft Letter of Offer, i.e., 7,08,53,900 (Seven Crores Eight Lakhs Fifty-Three Thousand and Nine Hundred) Equity Shares of face value Rs. 10 /- (Rupees Ten only) each

Particulars	Details/Definition
Escrow Account	The account named “ <i>Shreyas Intermediates Limited - Open Offer- Escrow Account</i> ” opened by the Acquirer with the Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Escrow Agent/Escrow Bank	The ICICI Bank Limited, a banking corporation incorporated under the provisions of Companies Act, 1956 and having its Registered Office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, Gujarat, Pin-390 007, Gujarat, India and acting for the purpose of the said agreement through its branch situated at ICICI Bank Limited, Capital Market Division, 1 st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai-400020
Escrow Agreement	Escrow agreement dated March 21, 2022 entered into by the Acquirer, Escrow Bank and Manager to the Open Offer
Escrow Amount	The amount aggregating to Rs. 6,12,04,050 /- (Rupees Six Crore Twelve Lakh Four Lakh and Fifty) maintained by the Acquirer with the Escrow Agent in accordance with the Open Offer Escrow Agreement
ESOPs	Employee stock options
FATCA	Foreign Account Tax Compliance Act
FEMA	Foreign Exchange Management Act, 1999, as amended
FIIIs	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FPIs	Foreign Portfolio Investor(s), as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
Form of Acceptance	Form of Acceptance-cum-Acknowledgement, which will be a part of the Letter of Offer
GAAR	General Anti Avoidance Rule
HUF	Hindu Undivided Family
Identified Date	The date falling on the 10 th Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Eligible Shareholders to whom the LOF shall be sent
Income Tax Act/IT Act	The Income-tax Act, 1961, as amended
Indian Rupees or INR	Indian Rupees
IPV	In person verification
KRA	KYC registration agency
KYC	Know your client
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
Letter of Offer/LOF	Letter of offer dated May 6, 2022, duly incorporating SEBI’s comments on the DLOF, and including the Form of

Particulars	Details/Definition
	Acceptance, which shall be dispatched to the Public Shareholders
LTCG	Long Term Capital Gains
MAT	Minimum Alternate Tax
Manager/Manager to the Open Offer/Manager to the Offer	Fedex Securities Private Limited
Maximum Consideration / Maximum Open Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of Rs. 612.04 /- Lakhs.
N.A.	Not Applicable
NEFT	National Electronic Funds Transfer
NOC	No-objection certificate
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
Offer/Open Offer	Open offer for acquisition of up to 61,20,405 (Sixty-One Lakh Twenty Thousand Four Hundred and Five) Equity Shares representing 8.64% (Twenty-Six Percent) of the Voting Share Capital of the Target Company at the Offer Price, payable in cash
Offer Closing Date	Expected date of closure of the Tendering Period, i.e., May 27, 2022
Offer Opening Date	Expected date of commencement of the Tendering Period, i.e., May 13, 2022
Offer Period	Period as defined in the SEBI (SAST) Regulations
Offer Price	Rs. 10.00/- (Rupees Ten Only) per Equity Share, payable in cash
Offer Shares	Upto 61,20,405 (Sixty-One Lakh Twenty Thousand Four Hundred and Five) Equity Shares, representing 8.64% of the Voting Share Capital
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
OSV	Original seen and verified
PA/Public Announcement	The Public Announcement dated March 17, 2022 issued by the Manager on behalf of the Acquirer, in connection with the Open Offer
PAN	Permanent Account Number
Public Shareholders	shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except: (i) the Acquirer, (ii) parties to the underlying SPA (as defined below) including persons deemed to be acting in concert with such parties to the SPA, as the case may be and (iii) the Promoter and Promoter Group of the Target Company
RBI	Reserve Bank of India

Particulars	Details/Definition
Registrar/Registrar to the Open Offer/Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	1,75,00,000 (One Crore Seventy-Five Lakhs Only) Equity Shares which Acquirer has agreed to acquire under the SPA from the Seller at a price of Rs 10.00 (Rupees Ten only).
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller	M/s. Invent Assets Securitization and Reconstruction Private Limited (known as " Selling Shareholders " under SPA)
Selling Broker	Respective stock brokers of all Public Shareholders who desire to tender their Shares under the Open Offer
Share Purchase Agreements/SPAs	On March 17, 2022 the Acquirer entered into a Share Purchase Agreement with M/s. Invent Assets Securitization and reconstruction Private Limited ("the Selling Shareholder ") to acquire 1,75,00,000 equity shares, constituting 24.70% ("Promoter Shares") of the Current Voting Share Capital and Voting Share Capital of the Target company for consideration of Rs. 1750.00 Lakhs (" SPA ").
STCG	Short Term Capital Gains
Stock Exchange	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited
STT	Securities Transaction Tax
Target/Target Company	Shreyas Intermediates Limited
Transaction	Collectively, the Underlying Transaction and the Open Offer
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Underlying Transaction	The acquisition of Sale Shares in terms of the SPA, as has been defined in point 2 of Section III(A) (<i>Background to the Open Offer</i>) of this Draft Letter of Offer
Voting Share Capital	shall mean the total voting equity share capital of the Target Company carrying voting rights expected as on the 10 th working day from the closure of the tendering period under this Offer.
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

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

II. DISCLAIMER CLAUSES

A. SEBI DISCLAIMER

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER 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 MARCH 30, 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

B. GENERAL DISCLAIMER

This Draft Letter of Offer together with the Detailed Public Statement and the Public Announcement in connection with the Open Offer, have been prepared for the purposes of compliance with applicable laws and regulations of India, including the SEBI act and the SEBI (SAST) Regulations, and has not been registered or approved under any laws or regulations of any country outside of India. The disclosures in this draft letter of offer and the open offer particulars including but not limited to the offer price, offer size and procedures for acceptance and settlement of the open offer are governed by SEBI (SAST) regulations, and other applicable laws, rules and regulations of India, the provisions of which may be different from those of any jurisdiction other than India. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The information contained in this draft letter of offer is as of the date of this draft letter of offer. The Acquirer and the Manager to the Open Offer and any deemed persons acting in concert with the Acquirer are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched by electronic means to all Public Shareholders whose name appears on the register of members of the Target Company, as of the Identified Date and who have registered their email ids with the Depositories and/or the Target Company. However, receipt of the PA, the DPS, this DLOF, the Letter of Offer or any other advertisement / publications made or delivered in connection with the Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make

this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the PA, the DPS, this DLOF, the Letter of Offer and/or any other advertisement / publications made or delivered in connection with the Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no Public Shareholder in such a jurisdiction may tender his, her or its Equity Shares in this Offer.

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

III. DETAILS OF THE OPEN OFFER

A. Background to the Open Offer

1. This Open Offer is a Mandatory Offer under regulation 3(2) and 4 of the SEBI (SAST) Regulation, pursuant to substantial acquisition of shares and voting rights of Target Company by the Acquirer.
2. Pursuant to a debt restructuring of the Target Company, the financial assistance and facilities provided by State Bank of India to the Target Company was assigned to M/s. Invent Assets Securitization and reconstruction Private Limited, the Selling Shareholder, an Asset Reconstruction Company. As per the terms of settlement between the Target Company, its Promoters and the Selling Shareholder the outstanding amount of debt was settled for a lumpsum amount of Rs. 2700.00 Lakhs. Out of the agreed amount of Rs. 2700.00 Lakhs, Rs. 1750.00 Lakhs was to be settled by the Target Company by issue of 1,75,00,000 Equity Shares of Rs. 10/- each and the balance outstanding amount of Rs. 950.00 Lakhs was required to be paid over a period of time as per the settlement agreement.
3. The Target Company, subsequently put the terms of the aforesaid settlement agreement and similar other terms of settlements under a Scheme of Arrangement (hereinafter the settlement letter and the Scheme of Arrangement be collectively referred to as "Settlement Arrangement") and sought the sanction of the Hon'ble National Company Law Tribunal, Mumbai Bench under the provision of the Companies Act, 2013 and other applicable rules made thereunder. The sanction to the Scheme was granted by the Hon'ble NCLT vide order dated September 03, 2018. In compliance with the terms of settlement agreement, subsequently affirmed by the Scheme, the Target Company has allotted 1,75,00,000 Equity Shares to the Selling Shareholder at Rs. 10/- (Rupees Ten Only) at par.
4. The Acquirer entered into a to SPA dated March 17, 2022 with M/s. Invent Assets Securitization and reconstruction Private Limited, the Selling Shareholder in accordance with aforesaid Settlement Arrangement, to acquire 1,75,00,000 Equity Shares, constituting 24.70% of the Current Voting Share Capital and Voting Share Capital of the Target Company. The Acquirer has agreed to acquire the Equity Shares under the SPA, as per the terms of the Settlement Arrangement at Rs. 10 per Equity Share. The completion of the transactions under the SPA is subject to the satisfaction of certain conditions under the SPA as stated below.
5. The SPA also set forth the terms and condition on which the Seller has agreed to sell, and the Acquirer has agreed to purchase the Sale shares and the respective rights and obligations of the Seller and the Acquirer in this respect.
6. **Salient features of the Share Purchase Agreement ("SPA") between the Acquirer and the Selling Shareholder:**
 - a) The Selling shareholder shall cause their DP (i) to duly acknowledge such instructions, and to deliver a copy of such acknowledgement to the Purchaser, and (ii) to take appropriate steps to credit the Sale Shares to the demat account of the Acquirer.
 - b) Anything occurs which constitutes a Material Adverse Effect and which situation (if capable of being cured) is not cured by the Selling shareholder within a period of 60 (sixty) days of the receipt of notice to that effect from the Acquirer.
 - c) Conditions to Closing:

Where Completion is prohibited or delayed pursuant to the directions of any Governmental Authority, the Sale Shares would be held in the Sale Shares Escrow Account for and to the

benefit of the Purchaser, and the Selling shareholder shall not have any rights, title, interest or benefit notwithstanding, pending transfer of the Sale Shares from the Sale Shares escrow Account in the name of the Acquirer.

7. Further, in terms of the SPA, while it is contemplated that the transactions under the SPA will be completed after the completion of this Offer, the Acquirer also has the right to consummate such transactions during the Offer Period (as defined in the SEBI (SAST) Regulations) by depositing an amount equal 100% of the Maximum Consideration in cash in the Offer Escrow Account in accordance with the provisions of the SEBI (SAST) Regulations, subject to receipt of the RBI approval.
8. The total consideration of the Share Purchase Agreement shall be paid in cash by the Acquirer. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the Offer Documents that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
9. In accordance with Regulation 26(7) of the SEBI (SAST) Regulations, the committee of independent directors of the Target Company are required to provide their written reasoned recommendations on the Offer and such recommendations are required to be published in the specified form at least 2 (two) Working Days before the commencement of the Tendering Period.

B. Details of the proposed Offer

1. This Open Offer is being made by the Acquirer under Regulations 3(2) and 4 with other applicable Regulations of the SEBI (SAST) Regulations pursuant to the proposed acquisition of shares and voting rights by the Acquires in the Target Company, in accordance with the terms of the SPA. Please see Part II below (Background to the Offer).
2. The Public Announcement announcing the Offer under the provisions of Regulations 3 (1), and 4 read with Regulations 13 (1) and 15 (1) of the SEBI (SAST) Regulations was issued on Thursday, March 17, 2022, by the Manager, for and on behalf of the Acquirers. A copy of the said Public Announcement was filed with SEBI, the Stock Exchanges, and sent to the Target Company at its registered office and to SEBI on Thursday, March 17, 2022.
3. The Detailed Public Statement dated Thursday, March 24, 2022, was subsequently published in the following newspapers on Friday, March 25, 2022, in accordance with the provisions of Regulation 14 (3) of the SEBI (SAST) Regulations:

Publication	Language	Edition
Business Standard	English	All Editions
Business Standard	Hindi	All Editions
Navshakti	Marathi	Mumbai & Ratnagiri

4. The Detailed Public Statement along with other Offer Documents is/ shall also available on the website of SEBI accessible at www.sebi.gov.in , website of BSE accessible at www.bseindia.com , and the website of Manager accessible at www.fedsec.in.
5. As on the date of DLOF, the aggregating shareholding of the Promoter and members of the Promoter Group is 66.66% of the Voting Share Capital of the Target Company. Upon acquisition of shares from Selling Shareholder in accordance with Share Purchase Agreement entered between the Acquirer and Selling Shareholder on March 17, 2022, pursuant to the arrangement entered between the Target Company, its Promoters and the Selling

Shareholder on October 26, 2016 and the consequent Scheme of Arrangement (“Settlement Arrangement”). The Acquirer will be holding 24.70% of Voting Share Capital of the Target Company and the aggregate holding of the Promoter and members of the Promoter Group will be 91.36% of the Voting Share Capital of the Target Company. As a result, recognizing Acquirer as the member of the promoter group, this mandatory Open Offer is being made by the Acquirer in compliance with Regulations 3(2), 4 and other applicable provisions of SEBI (SAST) Regulations, 2011.

6. This offer is being made by the Acquirer to all the Public Shareholders of the Target Company for the acquisition of up to 61,20,405 (Sixty-One Lakh Twenty Thousand Four Hundred and Five) fully paid-up equity shares of face value of Rs. 10/- (Rupees Ten only) each representing the entire public shareholding constituting 8.64% of the Voting Share Capital (“Offer Shares”) at a price of Rs. 10/- (Rupees Ten Only) per Equity Share (“Offer Price”), which has been calculated in accordance with Regulation 8(2)(e) of the SEBI (SAST) Regulations, aggregating to a total consideration of Rs. Rs. 612.04 (Rupees Six Crores Twelve Lakhs Four Thousand Only), assuming full acceptance of the Offer (“Maximum Open Offer Consideration”), subject to the terms and conditions mentioned herein and subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and to be set out in the Letter of Offer that is proposed to be issued in accordance with the applicable provisions of the SEBI (SAST) Regulations, after incorporating the comments of SEBI, if any, on the Draft Letter of Offer.
7. The Acquirer being part of the members of the Promoter Group, there will be no change in control of the Target Company.
8. As on the date of this Draft Letter of Offer, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants, including employee stock options and restricted stock units), issued by the Target Company. Further, no Equity Shares are subject to any lock-in obligations except 1,75,00,000 Equity shares allotted to Seller on February 10, 2022 which is lock-in for a period of five years from the date of Allotment pursuant to Scheme of Arrangement approved by the NCLT. However, in accordance with Scheme of Arrangement read with Settlement Letter such sale shares acquired by the Acquirer shall be locked in for residual period in hands of the Acquirer.
9. There is no differential pricing in this Open Offer.
10. The Offer Price has been arrived in accordance with Regulation 8(2)(e) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be Rs. 612.04 (Rupees Six Crores Twelve Lakhs Four Thousand Only).
11. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
12. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations
13. 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.
14. The Acquirer have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. March 17, 2022) and the date of this DLOF.
15. There has been no competing offer, as on the date of this DLOF.

16. All the Equity Shares validly tendered by the Public Shareholders of the Target Company in this Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, the DPS, and those which will be set out in the letter of offer to be sent to all Public Shareholders in relation to this Offer ("Letter of Offer" or "LOF").
17. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders, then the Equity Shares validly tendered by the Public Shareholders will be accepted in entirety, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (One) only.
18. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
19. The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
20. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory or other approvals required by the Acquirer to complete this Open Offer except as stated in the section 7 Part C of this DLOF. However, in case any further statutory approvals are required by the Acquirer at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SPA, are not satisfied, for reasons outside the reasonable control of the Acquirer, the Acquirer shall have the right to withdraw this Open Offer in terms of Regulation 23(2) of the SEBI (SAST) Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (Two) Working Days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
21. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer in accordance with Regulation 18(11) of the SEBI (SAST) Regulations
22. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, subsequent to the completion of the Offer, the Acquirer reserve the right to streamline/restructure the operations, assets, liabilities and / or businesses of the Target Company and through arrangement / reconstruction, restructuring, merger, demerger and/or sale/lease of assets or business or

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

Currently, the Acquirer does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, 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 or its subsidiaries. If the Acquirer 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.

23. As per regulation 38A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. However, pursuant to completion of this Open Offer and the underlying transactions contemplated in the SPA, the public shareholding in the Target Company may fall below the minimum public shareholding (“MPS”) requirement as per Rule 19A of SCRR read with SEBI (LODR) Regulations. In such an event Acquirer undertakes to ensure that the Target Company meets the MPS requirements, within the timeframe specified for such compliance.
24. The Acquirer has appointed Fedex Securities Private Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of this DLOF and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period
25. If the Acquirer acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

C. OBJECT OF THE OPEN OFFER

1. Object of the Offer: The Acquirer is a member of the Promoter Group of the Target Company.

Pursuant to the acquisition of the Sale Shares (i.e., 1,75,00,000 Equity Shares) under the SPA, the Acquirer will hold 24.70% of the Voting Share Capital of the Target Company and accordingly, the holding of the Promoter and members of the Promoter Group will increase the creeping acquisition limit as prescribed under the SEBI SAST Regulations. The proposed acquisition is pursuant to Share Purchase Agreement entered between the Acquirer and Invent Assets Securitization and Reconstruction Private Limited, the Selling Shareholder and is in terms of the Settlement Arrangement.

IV. BACKGROUND OF THE ACQUIRER

Krish Pharma Speciality Private Limited – Acquirer

- a. The Acquirer is an unlisted public company limited by shares. It was incorporated as private limited company on September 27, 2021 under the provision of Companies Act, 2013 bearing CIN U24110MH2021PTC368229. There has been no change in the name of the Acquirer since its incorporation.
- b. The Registered Office of the Acquirer is situated at 404, Naman Centre, C-31, G Block, Bandra Kurla Complex, Bandra East, Mumbai -400051, Maharashtra India.
- c. The Email Id of the Company is krishpharma18@gmail.com and the telephone No. is 022-49685657.
- d. The Acquirer is primarily incorporated to engage into the business of manufacture, sell, purchase, deal in various pharmaceuticals products, bulk drugs, medicines, chemicals, raw materials, intermediates for various pharmaceutical products and to engage in businesses of healthcare, life sciences, research and development, contract manufacturing in India and/ or abroad.
- e. The Authorized Share Capital of the Acquirer is 5,00,000 (Five Lakh Rupees Only) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Ten rupees Only) each and the Paid-up Share Capital 5,00,000 (Five Lakh Rupees Only) divided into 50,000 (Fifty Thousand) Equity Shares of Rs. 10 (Ten rupees Only) each.
- f. As on the date of the DLOF, the shareholding pattern of the Acquirer is as follows:

Sr. No.	Name of Shareholder	No. of Equity Shares having face value of Rs. 10 each	Percentage %
Promoters/ Person in control			
1	Mrs. Vaidehi Surendra Sharma	49,999	99.99
2	Mr. Nareshkumar Ramawatar Swami	1	0.01
Total		50,000	100.00

- g. The Board of Directors of the Acquirer are as follows:

Sr. No.	Name of the Director	DIN	Designation
1	Ramjan Kadar Shaikh	08286732	Director
2	Nareshkumar Ramawatar Swami	09530485	Director

- h. The Acquirer has been incorporated on September 27, 2021 accordingly, annual audited financial statements have not been prepared by it as on the date of the DPS. Revenue from Operation is NIL since the Company has not commenced its business. The Networth of The Company is Rs. 4.19 Lakh on the basis of provisional financial statement (as on March 24, 2022) [Source: Certificate dated March 24, 2022 issued by Sayeed Khan & Associates, Chartered Accountants having FRN No. 125227W]

- i. As on the date of this DLOF, the Acquirer and their Directors do not hold any ownership in the Target Company and do have any interest in the Target Company, except being a member of Promoter Group of the Target Company.
- j. The Equity Shares of the Acquirer are not listed on any of the Stock Exchanges in India and overseas.
- k. As on the date of this DLOF, Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- l. As on the date of this DLOF, neither the Acquirer nor any of its directors or key employees have 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.
- m. As on the date of this DLOF, neither the Acquirer nor any of its directors or key employees have 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.
- n. As on the date of this DLOF, there are no directors representing the Acquirer on the board of the Target Company.
- o. There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations. While persons may be deemed to be acting in concert with Acquirer ("Deemed PACs"), however such Deemed PACs are not acting in concert with Acquirer for the purposes of this Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- p. Acquirer 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.
- q. Acquirer have not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.

V. BACKGROUND OF THE TARGET COMPANY

Shreyas Intermediates Limited ("Target Company"):

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

- a. The Target Company was originally incorporated as a private limited company under the name Shreyas Intermediates Private Limited under the provisions of the Companies Act, 1956 on November 06, 1989. Further, the name of the Target Company was changed to Shreyas Intermediates Limited vide its shareholders resolution dated March 27, 1992 and a fresh certificate of incorporation was issued by the Registrar of Mumbai dated April 03, 1992. The CIN of the Target Company is L24120PN1989PLC145047.
- b. There is no change in the name of the Target Company in the last three years.
- c. The Registered Office of the Target Company is situated at Plot Nos. D-21, D-22, D-23, M.I.D.C. Industrial Estate, Lote Parshuram, Taluka – Khed, District: Ratnagiri- 415722, Maharashtra, India.
- d. The Target Company was primarily incorporated to engage into the business of manufacturers, processors, formulators, converters, importer, exporter, factors, agents, buyers, sellers, distributors, suppliers, stockists or and dealers in organic and inorganic chemicals, petro chemicals, acids, oleum, alum, aluminium sulphate, solutions, fungicides, pesticides, insecticides, dyes and dye intermediates, and intermediates, paints, glycerine, detergents, fertilizer formulations, both liquid and solid including slurries, malt and malt extracts, plasticizers, chromates, ethylene, hydrocarbon, petroleum inf actions, benzene

phenol, phthalic anhydride, bromine, compounding agents and other synthetic chemical and chemical substances basic, intermediates, finished or otherwise. As on the date of the DLOF, the Target Company is engaged in the business of Manufacturing of Pigments and Pigment Intermediates.

- e. Equity Shares of the Target Company are listed on BSE Ltd (Security ID: SHREYASI, Security Code: 526335). The ISIN of the Equity Shares of the Target Company is INE115F01017. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- f. The Equity Shares of the Target Company are in-frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.
- g. As on date of this DLOF, the trading in Equity Shares of the Target Company is not suspended at BSE Limited. The trading in Equity Shares of Target Company is under XT Category. However, the Target Company has not received trading approval for the 1,75,00,000 equity shares allotted by the Target Company on February 10, 2020 to the Selling Shareholder.
- h. As on the date of this DLOF, the Authorized share capital of the Target company is Rs 75,00,00,000/- (Rupees Seventy-Five Crores Only). The issued, subscribed and fully paid-up share Capital of the Target Company is Rs. 74,85,39,000/- (Rupees Seventy-Four Crores Eighty-Five Lakhs Thirty-Nine Thousand Only) which is classified into Rs. 70,85,39,000 (Seventy Crores Eighty-Five Lakhs Thirty-Nine Thousand Only) divided into 7,08,53,900 (Seven Crores Eight Lakhs Fifty-Three Thousand and Nine Hundred) Equity Shares of Face Value Rs. 10/- each and Rs. 4,00,00,000 (Rupees Four Crores only) 40,00,000 (Forty Lakhs) Redeemable Preference Shares of Face value Rs.10/- each.
- i. The present Board of Directors of the Target Company are as follows:

S. No.	Name of the Director	DIN	Designation
1	Snehlata Dinesh Sharma	01854393	Non-Executive - Non Independent Director-Chairperson
2	Neelam Yashpal Arora	01603068	Non-Executive - Independent Director
3	Govind Krishna Sharma	02420331	Non-Executive - Independent Director
4	Surya Prakash Sitaram Pandey	01898839	Executive Director

- j. There are no directors representing the Acquirer appointed as directors on the Board of the Target Company.
- k. As on the date of this DLOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.
- l. The Target Company has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- m. Neither the Target Company nor any of its promoters or directors or key employees have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

- n. Key financial information of the Target Company based on its audited financial statements as on and for the financial years ended March 31, 2019, March 31, 2020 and March 31, 2021 and unaudited financial information for the 9 months ended December 31, 2021 (limited reviewed by Statutory Auditors of Target Company) is as below (*in Rs. Lakhs, except for earnings per share*)

Profit & Loss Statement	For the period ended December 31, 2021	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
	(Unaudited, Limited Review Report)	Audited	Audited	Audited
Revenue from operations	0.00	0.00	0.00	0.00
Other Income	41.54	57.82	56.74	133.24
Total Income	41.54	57.82	56.74	133.24
Total Operating Expenditure	14.35	34.05	56.06	17.23
Profit before Depreciation, Interest & Tax	27.19	23.77	0.68	116.01
Depreciation	127.86	170.49	204.03	405.93
Finance costs	0.00	0.00	0.00	0.16
Profit / (Loss) before Tax	(100.67)	(146.72)	(203.35)	(290.08)
Provision for Tax (including Deferred tax & Tax for earlier years)	0.0	0.0	0.0	0.0
Other Comprehensive Income	0.0	0.0	0.0	0.0
Profit / (Loss) after Tax	(100.67)	(146.72)	(203.35)	(290.08)

Balance Sheet Statement	March 31, 2021	March 31, 2020	March 31, 2019
	Audited	Audited	Audited
Sources of Funds			
Paid up share capital	7485.39*	7485.39*	3110.39
Reserves & Surplus (excluding revaluation reserves)	(5237.21)	(5090.48)	(9523.16)

Balance Sheet Statement	March 31, 2021	March 31, 2020	March 31, 2019
	Audited	Audited	Audited
Net Worth	<u>2248.18</u>	<u>2394.90</u>	<u>(6412.77)</u>
Secured Loans	665.00	760.00	9721.03
Unsecured Loans	0.00	0.00	0.00
Total	<u>2913.18</u>	<u>3154.90</u>	<u>3308.25</u>
Uses of Funds			
Net Fixed Assets	2142.48	2312.97	2483.47
Investments	0.00	0.00	0.00
Deferred Tax Assets	194.56	194.56	194.56
Net Current Assets	576.14	647.37	596.69
Total Miscellaneous Expenditure not written off	0.00	0.00	33.53
Total	<u>2913.18</u>	<u>3154.90</u>	<u>3308.25</u>
Other Financial Data			
Dividend (%)	0.00	0.00	0.00
Earnings Per Equity Share	(0.14)	(0.29)	(1.80)

* The company has been restructured under a Scheme of Arrangement under section 230-232 of Companies Act, 2013 during FY 2019-2020 as approved by Hon'ble National Company Law Tribunal, Mumbai Bench vide Order date 03/09/2018.

Disclosure of the major Contingent liabilities:

Details of Contingent Liabilities as on 16/03/2022	Amount (Rs. In Lakhs)
Excise duty disputed by the Company under appeal	456.01
Dues under the Securitization & Reconstruction of Financial Assets and Enforcement of Securities Act 2002 (SARFAES) Act 2002 under appeal	41.38
Claims against the Company not acknowledged as Debts	1600.00
	2097.39

#Total Income includes revenues from operations and other income

\$ Networth=Equity Capital+ Reserves and Surplus (excluding revaluation reserves)
(Source: Certificate dated March 17, 2022 bearing UDIN: 22117114AFCVTY2190 issued by Sayeed Khan (Membership Number117114), Proprietor at Sayeed Khan and Associates, Chartered Accountants (Firm Registration Number: 125227W))

- o. The present and proposed shareholding of the Acquirer in the Target Company and the details of their acquisition are as follows:

Particular	Shareholding as on PA date		Shares Acquired between PA date and the DPS date		Post offer shareholding (as on 10th working day after closing of Tendering Period) Assuming NIL acceptance under the Open offer and acquisition of Sale Shares^^		Post offer shareholding (as on 10th working day after closing of Tendering Period) Assuming full acceptance under the Open offer and acquisition of Sale Shares^^	
	No. of Shares	%^	No. of Shares	%^	No. of Shares	%^^	No. of Shares	%
Acquirer	NIL	NIL	NIL*	NIL	1,75,00,000	24.70%	2,36,20,405	33.34%

^Calculated on the Voting Share Capital.

^^Upon completion of the Underlying Transaction, the Acquirer will be holding 24.70% of Voting Share Capital of the Target Company. The proposed acquisition by the Acquirer is with an intention to acquire Voting Share Capital and control the Target Company.

*The Acquirer has paid full consideration towards the purchase of 1,75,00,000 equity shares from the Selling Shareholder on March 17, 2022.

In terms of regulation 38 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations") read with Rule 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957, (the "SCRR"), as amended from time to time, the Target Company is required to maintain at least 25% public shareholding on a continuous basis for listing. As a result of the acquisition of Equity Shares in this Open Offer, pursuant to the SPA and/or during the Offer period, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws.

- p. Apart from the shareholding mentioned above, the Acquirer and their respective directors do not have any other shareholding in the Target Company as on the date of the Public Announcement and this DLOF, except that the Acquirer is part of the promoter group of the Target Company.
- q. BSE has issued notice dated June 11, 2021 for non-compliance and delayed compliance of SEBI LODR Regulation against the Target Company, which is pending to be complied by the Target Company.
- r. The closing market price of the Equity Shares of the Target Company as on the date of the Public Announcement and the Detailed Public Statement, the trading day after the date of the Public Announcement was as below:

Particulars	Closing Market Price
Thursday, March 17, 2022 being the date of Public Announcement	Rs. 7.51
Monday, March 21, 2022 being the next Trading date after Public	Rs. 7.88

Announcement	
Thursday, March 24, 2022 being the date of the Detailed Public Statement	Rs. 9.11
Friday, March 25, 2022 being the date of the Detailed Public Statement	Rs. 9.56

VI. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Offer Price

- The Equity Shares of the Target Company are listed & traded on BSE only (Security ID: SHREYASI and Security Code: 526335 and is traded under XT Group.)
- 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 (March 01, 2021 to February 28, 2022) is given below:

Name of the Stock Exchange	Total number of equity shares traded during twelve calendar months preceding the month of PA	Total Number of Listed Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE Ltd	19,79,121	7,08,53,900	2.79%

Source: www.bseindia.com.

- Based on above, the Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.
- The Offer Price of Rs 10/- (Rupees Ten Only) per fully paid-up Equity Share has been determined as per provision Regulation 8(2)(e) of the SEBI (SAST) Regulations, taking into account the following parameters:

Sr. No	Particular	Price per share in Rs.
A.	Negotiated Price per Equity Share under the SPA attracting the obligation to make a Public Announcement of an open offer;	10.00
B.	The volume-weighted average price paid or payable for acquisitions by the Acquirer during the fifty-two weeks immediately preceding the date of the Public Announcement.	Not Applicable
C.	The highest price paid or payable for any acquisition by the Acquirer during the twenty-six weeks immediately preceding the date of the Public Announcement.	Not Applicable
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 The shares of the Company are infrequently traded as per Regulation 2(1)(j)

Sr. No	Particular	Price per share in Rs.
E.	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.	Applicable The shares of the Company are infrequently traded as per regulation 2(1)(j). The valuation for the same is Rs. 2.08
F.	The per Equity Share value computed under Regulation 8(5), if applicable.	Not Applicable

**As per valuation report dated March 17, 2022 certified by Nikesh Jain (Membership No. 114003) bearing UDIN 22114003AFDLXA2006, Partner at JMR & Associates LLP, Chartered Accountant (FRN: 106912W/W100300).*

5. In view of the above parameters considered and presented in the table in Paragraph 4 above, the Offer Price is higher of item numbers A to F above i.e., Rs. 10/- (Rupees Ten). Accordingly, in terms of Regulation 8(2) of SEBI (SAST) Regulations, the Offer Price (i.e., Rs. 10/- per Equity Share) is justified.
6. There has been no revision in the Offer Price since the date of the PA till the date of this DLOF. The offer price may be subject to upward revision if any, pursuant to the SEBI (SAST) Regulations or at discretion of Acquirer 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 such event of such revision, the Acquirer shall make corresponding increases to the Escrow amounts. In the event of such revision, the Acquirer 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. Since the date of the PA, there has 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 DLOF 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.
8. If the Acquirer acquires or agrees to acquire any Equity Shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, 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, Acquirer shall not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
9. If the Acquirer 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 Acquirer 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.

B. Financial Arrangements

1. Assuming full acceptance of Offer, the total funds required for implementation of the Open Offer for the acquisition of up to 61,20,405 (Sixty-One Lakh Twenty Thousand Four Hundred and Five) Equity Shares at the Offer Price of Rs.10/- (Rupees Ten) per Equity Share is ₹ 612.04 Lakh (**“Maximum Open Offer Consideration”**).
2. The Acquirer has confirmed that it has adequate resources and has made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI SAST Regulations and the Acquirer is able to implement this Offer.
3. Malvika Harbopharma Private Limited (a member of Promoter Group) vide its Board Resolution dated March 17, 2022 has resolved to provide financial assistance / support to the Acquirer by providing Inter Corporate Deposit (**“ICD”**). Pursuant to the approval by its board of Directors, Malvika Harbopharma Private Limited has extended an ICD of Rs. 613.00 on March 17, 2022 to fund the Maximum Open Offer Consideration. In accordance with Regulations 17, the Acquirer, the Manager to the Offer have entered into an Escrow Agreement with ICICI Bank (**“Escrow Bank”**), a banking corporation incorporated under the laws of India, acting through its branch office at ICICI Bank Limited, Capital Market Division 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai - 400020 dated March 21, 2022. Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account under the name and title of *“Shreyas Intermediates Limited - Open Offer - Escrow Account”* (**“Open Offer Escrow Account”**) with the Escrow Bank and the Acquirer has made a cash deposit of Rs. 6,12,04,050 (Rupees Six Crore Twelve Lakh Four Lakh and Fifty), being an amount equivalent to 100% of the value of the Maximum Open Offer Consideration payable under the Offer (assuming full acceptance). The Manager to the Offer has been duly authorised to operate and realize the monies lying to the credit of the Escrow Account in terms of the SEBI (SAST) Regulations. The cash deposit has been confirmed by the Escrow Bank.
4. After considering the aforementioned, M/s. Sayeed Khan & Associates, Chartered Accountants (Mr. Sayeed Khan, Proprietor, Membership No. 117114) (**“Chartered Accountant”**), by way of a certificate dated March 31, 2022 has certified that the Acquirer have made firm arrangements for fulfilling the payment obligations under the Open Offer in accordance SEBI SAST Regulations.
5. Based on the aforesaid financial arrangements made by the Acquirer and on the confirmations received from the Independent Chartered Accountant for Acquirer, the Manager to the Offer is satisfied, (i) about the adequacy of resources to meet the financial requirements of the Open Offer and the ability of the Acquirer to implement the Open Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for payment through verifiable means are in place to fulfill the Open Offer obligations.
6. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VII. TERMS AND CONDITIONS OF THE OPEN OFFER

A. Operational Terms and Conditions

1. The Identified Date for this Open Offer as per the indicative schedule of key activities is April 28, 2022. In terms of the indicative schedule of activities, the Tendering Period for the Offer shall commence on May 13, 2022 and closes on May 27, 2022.
2. This Offer is being made by the Acquirer 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. May 27, 2022, but who are not the registered Public Shareholders.
3. 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.
4. The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of SEBI (SAST) Regulations.
5. 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 Acquirer has up to 10th (ten) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
6. 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 Acquirer 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.
7. The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserve their right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
8. 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.
9. The locked-in Equity Shares, if any acquired pursuant to the Agreement or tendered in Open

Offer, can be transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and nonlocked-in Equity Shares. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

10. 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.
11. 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.
12. 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.
13. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
14. There has been no revision in the Offer Price or Offer Size as on the date of this Draft Letter of Offer. The Acquirer 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 Acquirer shall: (i) make a corresponding increase to the Escrow Amount and/or Bank Guarantee; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously notify Stock Exchange(s), SEBI and the Target Company at its Registered Office. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the OpenOffer and accepted under the Open Offer in accordance with the terms of the Letter of Offer.
15. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending courtcases/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.
16. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.

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

B. Eligibility for accepting the Open Offer

1. 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.
2. 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.
3. 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.
4. All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer 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 Acquirer reserve the right to reject such Offer Shares.
5. The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirer in consultation with the Manager to the Offer.
6. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
7. For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

C. Statutory and Other Approvals

1. As on the date of this DLOF, to the best knowledge and belief of the Acquirer, there are no statutory approvals required by the Acquirer to complete the acquisition of the equity shares under the SPA and the Open Offer. However, in case any further statutory or other approval

becomes applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.

2. In case of delay or non-receipt of any statutory approval which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, 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 Acquirer and/or the PACs to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the 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.
3. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
4. 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 Acquirer 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 Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer in the event that any of the statutory approvals specified in this DLOF as set out in Part VI (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 Acquirer (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and will also be filed with SEBI, BSE Limited and the registered office of the Target Company.
6. The Acquirer does not require any approvals from Financial Institutions or Banks for this Offer.
7. The Acquirer and the PACs 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.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

1. All the Public Shareholders, holding Equity Shares whether in dematerialised form or physical form, registered or unregistered, are eligible to participate in this Open Offer at any time during the period from
2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10 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.

3. The Public Shareholders may also download the Letter of Offer from the SEBI's website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer (detailed at Part IX (Other Information) of this DLOF) on providing suitable documentary evidence of holding of the Equity Shares and their folio number, DP identity-client identity, current address and contact details.
4. 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 Acquirer shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.
5. The Acquirer has 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	Shree Shakambhari Corporate Park,156-158, Chakravarti Ashok Society, J.B. Nagar, Andheri (East), Mumbai- 400099, Maharashtra, India
CIN	U65999MH2010PTC198714
Tel No	022 6707 9832
Email id	022 6707 9898
Investor Grievance Email id	jeetender.joshi@choiceindia.com
Website	ig@choiceindia.com
SEBI Registration No.	IINZ000160131
UCC code of Buying Broker	OF00242

6. 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.
7. 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.
8. 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. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
10. 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 abid 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 Broking Equity Private Limited to bid by using quick UCC facility. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) / Choice Broking Equity Private Limited may have to submit following details:

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

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

12. In case of Public Shareholder, being a Hindu Undivided Family (“HUF”):
 - (a) If Public Shareholder is registered with KRA: Forms required:
 - (i) CKYC form of karta including FATCA, IPV, OSV if applicable
 - (ii) KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - (iii) Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
 - (b) If Public Shareholder is not registered with KRA: Forms required:
 - (i) CKYC form of karta including FATCA, IPV, OSV if applicable

- (ii) KRA form
- (iii) KYC form documents required (all documents self-attested):
 - PAN card copies of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
- (iv) Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)

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

13. In case of Public Shareholder other than Individual and HUF:

(a) If Public Shareholder is KRA registered: Form required

- (i) KYC form documents required (all documents certified true copy):
- (ii) Bank details (cancelled cheque)
- (iii) Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- (iv) FATCA, IPV, OSV if applicable
- (v) Latest list of directors/authorised signatories/partners/trustees
- (vi) Latest shareholding pattern
- (vii) Board resolution
- (viii) Details of ultimate beneficial owner along with PAN card and address proof
- (ix) Last 2 years financial statements

(b) If Public Shareholder is not KRA registered: Forms required:

- (i) KRA form
- (ii) KYC form documents required (all documents certified true copy):
 - PAN card copies of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
- (iii) Demat details for Equity Shares in dematerialized form (demat master /latest demat statement)
- (iv) FATCA, IPV, OSV if applicable
- (v) Latest list of directors/authorised signatories /partners/trustees
- (vi) PAN card copies & address proof of directors/authorised signatories/ partners/trustees
- (vii) Latest shareholding pattern
- (viii) Board resolution/partnership declaration

- (ix) Details of ultimate beneficial owner along with PAN card and address proof
- (x) Last 2 years financial statements
- (xi) Memorandum of association/partnership deed /trust deed

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

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

- 14. The cumulative quantity tendered shall be displayed on BSE's website (www.bseindia.com) throughout the trading session at specific intervals by BSE during the Tendering Period.
- 15. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.

16. Procedure for tendering Equity Shares held in Dematerialised Form

- 16.1 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.
- 16.2 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.
- 16.3 The Public Shareholders shall earmark / provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be issued by the Stock Exchange/ Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.
- 16.4 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.
- 16.5 On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 16.6 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.
- 16.7 The duly filled in Delivery Instruction Slips ("DIS") specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling

Broker so as to ensure that the Equity Shares are tendered in the Offer.

16.8 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.

16.9 Public Shareholders should not place orders through the Target Company, the Acquirer, the Manager to the Offer or the Registrar to the Offer

16.10 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.

16.11 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 "Shreyas Intermediates Limited - Open Offer". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

17. Procedure for tendering Equity Shares held in Physical form

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

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

- 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), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Public Shareholder would be required to submit a self-attested copy of proof of address consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.
 - vi. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.
- 17.2 The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.
- 17.3 After placement of order, as mentioned above in Point (h), the Selling Broker(s)/ Public Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page) within 2 days of bidding by the Selling Broker and not later than 2 (two) days from the Closing offer period (by 5 PM). The envelope should be superscribed as "Shreyas Intermediates 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.
- 17.4 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 Acquirer 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.
- 17.5 In case any person has submitted Equity Shares in physical form for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- 17.6 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.**
- 17.7 The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.

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

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

19. Acceptance of Equity Shares

- 19.1 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 Acquirer 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.
- 19.2 In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

20. Settlement Process

- 20.1 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.
- 20.2 The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.
- 20.3 Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
- 20.4 The Acquirer will pay the consideration payable towards purchase of the Equity Shares to the

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

- 20.5 The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 20.6 The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
- 20.7 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- 20.8 Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Public Shareholder(s) directly by Registrar to the Offer.
- 20.9 The direct credit of Equity Shares will be given to the demat account of Acquirer as indicated by the Buying Broker. Buying Brokers would also issue a contract note to the Acquirer for the Equity Shares accepted under the Offer.
- 20.10 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 20.11 Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders' / unregistered owners' sole risk to the sole / first Public Shareholder / unregistered owner.
- 20.12 In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- 20.13 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tended under the Offer.

- 20.14 If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.
- 20.15 Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 20.16 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non-receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- 20.17 The Acquirer intend to complete all formalities, including the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer, within a period of 10 Working Days from the Offer Closure Date, and for this purpose, a Special Escrow Account in compliance with Regulation 21(1) of the SEBI (SAST) Regulations has been opened.

21. NOTES ON TAXATION

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

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

IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE

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

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

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES ON THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAXADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE INCOME-TAX ACT, 1961.

21.1 General:

- (a) The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax ("Taxpayer") during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31.
- (b) A person who is a resident in terms of Indian Income Tax Act, 1961, ("IT Act") he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself.
- (c) A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "Situs" of such shares. "Situs" of the shares is generally where a company is "incorporated".
- (d) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- (e) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (MLI) as ratified by India with the respective country of which the said shareholder is a tax resident; (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- (f) Gains arising from the transfer of equity shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).

- (g) As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess are levied at the rate of 4% of the income tax and surcharge
- (h) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- (i) The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- (j) The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below. All references to equity share herein refer to listed equity shares unless stated otherwise.

21.2 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

21.3 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”)

21.4 Taxability of Capital Gains in the hands of shareholders

- (a) Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.
- (b) Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be

determined as under:

- (c) Short-term Capital Asset ("STCA"): Equity shares held for less than or equal to 12 months
- (d) Long-term Capital Asset ("LTCA"): Equity share held for more than 12 months
- (e) Accordingly, gains arising from transfer of a STCA are taxable as 'Short-term Capital Gains' ("STCG"). Gains arising from transfer of a LTCA are taxable as 'Long-term Capital Gains' ("LTCG").
- (f) As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax ("STT") has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- (g) Such LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act.
- (h) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- (i) As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- (j) Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.
- (k) The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- (l) As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- (m) Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- (n) Additional information in case of Foreign Institutional Investors ("FIIs"):
- (o) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of

India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.

- (p) The provisions of Indirect transfer in terms of Explanation 5 to Section 9 of the IT Act do not apply to non-resident investors in FIIs referred to in Section 115AD and Category-I and Category-II Foreign Portfolio Investor (“FPI”) registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
- (q) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,
- (r) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.
- (s) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not allowed while computing the Capital Gains.
- (t) The above rates are to be increased by applicable surcharge and cess.
- (u) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (v) The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

21.5 **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.

21.6 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.

21.7 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 authorised by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

1. 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.

2. Withholding Tax implications:

- (a) Remittance/Payment of Consideration
 - (i) Resident shareholders:
 - (b) In the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to Public Shareholders pursuant to tendering of shares under the Open Offer.
 - (c) Non-resident shareholders –
 - (d) FII Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

- (e) Non-resident shareholders (other than FIIs):
- (f) Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
- (g) Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
- (h) However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- (i) Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirer 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 Acquirer should be indemnified.
- (j) The non-resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability / non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.
- (k) Remittance/Payment of Interest
 - (i) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirer will deduct TDS at the applicable rates in accordance with the provisions of the IT Act, so long as a Permanent Account number ("PAN") is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act. The provisions of Section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:
 1. name, e-mail id, contact number;
 2. address in the country or specified territory outside India of which the shareholder is a resident;
 3. Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
 4. Tax Identification Number/ Unique Identification Number of the shareholder.
 - (ii) The TDS on interest payment as mentioned above is subject to the following exemptions:
 - Resident shareholders:
 - c. There will be no TDS if interest payable does not exceed Rs 5,000/-
 - d. There will be no TDS on interest payable to the following parties:

- i. any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
 - ii. any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
 - iii. any financial corporation established by or under a Central, State or Provincial Act;
 - iv. the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
 - v. the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and
 - vi. any company or co-operative society carrying on the business of insurance.
- e. There will be no TDS in the case of a SEBI registered mutual fund as per Section 10(23D) of the IT Act;
 - f. 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);
 - g. 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
 - h. Non-resident shareholders:
 - i. Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted.
- (iii) Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer, the Acquirer will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e. 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.
 - (iv) In the event, the Acquirer the decide(s) to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirer 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 Acquirer should be indemnified.
 - (v) The shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.
- 3. 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 Acquirer;
 - (ii) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
 - (iii) Self-declaration in Form 15G / Form 15H (in duplicate), if applicable;
 - (iv) SEBI registration certificate as a mutual fund;
 - (v) Documentary evidence (e.g. copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act; and
 - (vi) SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the IT Act.
- (b) Non- resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:
- (i) Self-attested copy of PAN Card; or
name, e-mail id, contact number;
address in the country or specified territory outside India of which the shareholder is a resident;
Tax Residency Certificate;
Form 10F; and
Tax Identification Number/ Unique Identification Number of the shareholder.
 - (ii) Tax Residency Certificate;
 - (iii) Form 10F;
 - (iv) Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
 - (v) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
 - (vi) Self-attested declaration in respect of status of shareholder (e.g. individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
 - (vii) SEBI registration certificate for FII and FPI.

4. **Tax Deduction Certificate**

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

Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the

Acquirer. 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 Acquirer 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 Acquirer

5. **Rate of Surcharge and Cess**

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

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

Cess

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

6. **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 Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- iii. The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information

provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.

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

The tax rate and other provisions may undergo changes.

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

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

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

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

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

THE ACQUIRER 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.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the Registered Office of the Manager to the Offer at Fedex Securities Private Limited, B7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (E), Mumbai 400057, Maharashtra, India,

between 10:30 AM and 5:00 PM on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period:

- i. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Acquirer;
- ii. Copy of the Share Purchase Agreement dated March 17, 2022 executed between the Acquirer and the Seller which triggered the Open Offer;
- iii. Copies of the annual reports of the Target Company for the financial years ended March 31, 2019, March 31, 2020, and March 31, 2021, and the unaudited Limited Review Financial Results for the period ended December 31, 2021, reviewed by the independent statutory auditor of the Target Company;
- iv. Mr. Sayeed Khan, proprietor (Membership No. 117114) of M/s. Sayeed Khan and Associates, Chartered Accountants (FRN: 125227W) has certified vide certificate dated March 31, 2022 have certified that the Acquirer have sufficient financial resources for fulfilling their obligations under the underlying transactions contemplated under the SPA and the Open Offer
- v. Copy of the Escrow Agreement dated March 21, 2022 between the Acquirer & ICICI Bank Limited (Escrow Bank) and the Manager to the Open Offer;
- vi. Bank Statement received from, ICICI Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- vii. Copy of the PA dated March 17, 2022 and submitted to the Stock Exchange(s), SEBI and Target Company;
- viii. Copy of the DPS dated March 24, 2022 published by the Manager to the Offer on behalf of the Acquirer on March 25, 2022;
- ix. Copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company; and
- x. Copy of the letter number [●] from SEBI dated [●] containing its observations on the Draft Letter of Offer.

X. DECLARATION BY THE ACQUIRER

1. The Acquirer accept full responsibility for the information contained in this DLOF including the Form of Acceptance-cum-Acknowledgement, except for the information with respect to the Target Company which has been compiled from information published or provided by the Target Company, as the case may be, or information publicly available sources and which information has not been independently verified by the Acquirer or the Manager, or information provided by the Seller and shall be jointly and severally responsible for the fulfilment of obligations of the Acquirer under the SEBI (SAST) Regulations in respect of this Offer.
2. The Acquirer 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.
3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or the 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 Acquirer or the Manager. The Acquirer do not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF or the LOF pertaining to the Target Company.

For and on behalf of Acquirer

Acquirer

Sd/-

Krish Pharma Speciality Private Limited

Place: Mumbai

Date: March 30, 2022