

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

This Draft Letter of Offer is being sent to you, as a registered Equity Shareholder(s) (as defined hereinafter) of Dhanuka Agritech Limited (the “Company”) as on the Record Date in accordance with the provisions of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (“Buy-Back Regulations”). If you require any clarifications about the action to be taken, you may consult your Stockbroker or investment consultant or the Manager to the Buy-Back Offer i.e. Emkay Global Financial Services Limited or to the Registrar to the Buy-Back Offer i.e. Abhipra Capital Limited.

Please refer to the “Definition of Key Terms” section of this Draft Letter of Offer for the definitions of capitalized terms used herein.

 <b>Dhanuka Agritech Limited</b> <b>CIN: L24219DL1985PLC020126</b> <b>Registered Office:</b> 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi-110005 Tel. No.: 011-23534551-52 <b>Corporate Office/Correspondence Address:</b> 14- Floor, Building No.5, Tower ‘A’, DLF Phase-III, Cyber City, Gurugram, Haryana-122002; Tel. No. 0124-3838592, 658 <b>Contact Person:</b> Ms. Jyoti Verma, Company Secretary and Compliance Officer <b>Email:</b> investors@dhanuka.com; Website: www.dhanuka.com	
<p><b>CASH OFFER TO BUY-BACK UPTO 15,00,000 (FIFTEEN LAKHS ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 2/- (RUPEES TWO ONLY) EACH (“EQUITY SHARES” OR “SHARES”), CONSTITUTES 3.06% OF ISSUED, SUBSCRIBED AND PAID UP EQUITY SHARE CAPITAL OF THE COMPANY, AT A PRICE OF RS. 550/- (RUPEES FIVE HUNDRED FIFTY ONLY) PER EQUITY SHARE (“BUY-BACK PRICE”) PAYABLE IN CASH FOR AN AGGREGATE AMOUNT OF UPTO RS. 82.50 CRORES (RUPEES EIGHTY TWO CRORES AND FIFTY LAKHS ONLY), EXCLUDING THE TRANSACTION COST (“BUY-BACK SIZE”), WHICH REPRESENTS 13.12% OF THE AGGREGATE OF COMPANY’S PAID-UP EQUITY SHARE CAPITAL AND FREE RESERVES AS ON MARCH 31, 2018, THROUGH THE “TENDER OFFER” ROUTE, ON A PROPORTIONATE BASIS (“BUY-BACK OFFER” OR “OFFER” OR “BUY-BACK”) TO THE ELIGIBLE SHAREHOLDERS OF THE COMPANY AS ON JANUARY 02, 2019 (“RECORD DATE”).</b></p> <ol style="list-style-type: none"> <li>The Buy-Back (as defined below) is in accordance with the provisions contained in Article 12 of the Articles (as defined below), Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act (as defined below), the SEBI Listing Regulations (as defined below), the Share Capital Rules (as defined below), to the extent applicable, and in compliance with the Buy-Back Regulations (as defined below) and subject to such other approvals, permissions and sanctions as may be necessary, and such other conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, including but not limited to Securities and Exchange Board of India (“SEBI”) and the stock exchanges where the Equity Shares of the Company are listed i.e. the BSE Limited (“BSE”) and The National Stock Exchange of India Limited (“NSE”) (collectively, “Stock Exchanges”), which may be agreed by the Board (as defined below).</li> <li>The Buy-Back Size is within the statutory limits of 25% of the total paid-up equity share capital and free reserves as per the Standalone Audited Financial Statements of the Company as on March 31, 2018 (the last audited financial statements available as on the date of the Board Meeting (as defined below) recommending the proposal of the Buy-Back) and it represents 13.12% of the aggregate of the paid-up equity share capital and free reserves of the Company.</li> <li>A copy of the Public Announcement (as defined below) and this Draft Letter of Offer shall also be available on the website of Securities and Exchange Board of India at: <a href="http://www.sebi.gov.in">http://www.sebi.gov.in</a></li> <li>The Letter of Offer shall be sent to the Eligible Shareholder(s) (as defined below)/ beneficial owner(s) of Equity Shares as on the <b>Record Date i.e. January 02, 2019</b>.</li> <li>The procedure for tendering and settlement is set out in Paragraph 20 on page 34 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the Tender Form) is enclosed together with this Draft Letter of Offer.</li> <li>For mode of payment of consideration to the Eligible Shareholders, please refer to Paragraph 20.29 on page 39 of this Draft Letter of Offer.</li> <li>Eligible Shareholders are advised to refer to Details of the Statutory Approvals (Paragraph 17 of page 29) and Note on Taxation (Paragraph 21 of page 40) before tendering their Equity Shares in the Buy-Back.</li> </ol>	
<b>BUY-BACK OPENS ON [●] DAY, [●], 2019</b> <b>BUY-BACK CLOSES ON [●] DAY, [●], 2019</b> <b>LAST DATE/TIME OF RECEIPT OF COMPLETED APPLICATIONS, FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO BUY-BACK: [●] DAY, [●], 2019 BY 5.00 P.M.</b>	
All future correspondence in relation to the Buy-Back, if any, should be addressed to Manager to the Buy-Back or Registrar to the Buy-Back at the respective addresses mentioned below:	
In addition to the Company’s contact details provided above, the investors may reach out to the Investor Service Centre of Abhipra Capital Limited for any queries at (011) 42390783	
<b>MANAGER TO THE BUY-BACK OFFER</b>	<b>REGISTRAR TO THE BUY-BACK OFFER</b>
 <b>EMKAY GLOBAL FINANCIAL SERVICES LIMITED</b> <b>Contact Person:</b> Mr. Deepak Yadav/ Mr. Chirag Dave <b>Regd. Off.:</b> 7th Floor, The Ruby, Senapati Bapat Marg, Dadar-West, Mumbai-400028, Maharashtra <b>Tel. No.:</b> +91 22 66121212 <b>Fax No.:</b> +91 22 66121355 <b>Email id:</b> <a href="mailto:dhanuka.buyback@emkayglobal.com">dhanuka.buyback@emkayglobal.com</a> <b>Website:</b> <a href="http://www.emkayglobal.com">www.emkayglobal.com</a> <b>SEBI Regn. No.:</b> INM000011229 <b>Validity Period :</b> Permanent	 <b>ABHIPRA CAPITAL LIMITED</b> <b>Contact Person:</b> Mr. Jeewat Rai/ Mr. Dinesh K Agarwal <b>Regd. Off.:</b> GF 58-59, World Trade Centre, Barakhamba Lane, New Delhi, National Capital Territory of Delhi, 110001 <b>Corporate Office:</b> Abhipra Complex, A-387, Dilkhush Indl. Area, G.T. Karnal Road, Azadpur, New Delhi- 110033 <b>Tel No.:</b> 011-42390783 <b>Fax No.:</b> 011-42390930 <b>Email id.:</b> <a href="mailto:rta@abhipra.com">rta@abhipra.com</a> <b>Website:</b> <a href="http://www.abhipra.com">www.abhipra.com</a> <b>SEBI Regn. No.:</b> INR000003829 <b>Validity Period:</b> Permanent

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## TENDER FORMS

## 1. SCHEDULE OF THE ACTIVITIES OF THE OFFER

Activity	Date	Day
Date of Board Meeting approving the Buy-Back	November 14, 2018	Wednesday
Date of Postal Ballot Result approving the Buy-Back	December 20, 2018	Thursday
Date of Public Announcement for the Buy-Back	December 20, 2018	Thursday
Date of Publication of Public Announcement for the Buy-Back	December 21, 2018	Friday
Record Date for determining the Entitlement and the names of Eligible Shareholders	January 02, 2019	Wednesday
Date of Opening of Buy-Back	[●]	[●]
Date of Closing of Buy-Back	[●]	[●]
Last date of receipt of the completed Tender Forms and other specified documents including physical Share certificates by the Registrar	[●]	[●]
Last date of verification of Tender Forms by the Registrar to the Buy-Back	[●]	[●]
Last date of intimation regarding acceptance / non-acceptance of tendered Equity Shares to the Stock Exchange by the Registrar	[●]	[●]
Last date of settlement of bids on the Stock Exchange	[●]	[●]
Last date of dispatch of share certificate(s) by the Registrar / return of unaccepted demat Equity Shares by Stock Exchange to Seller Member / Eligible Shareholders	[●]	[●]
Last date of Extinguishment of Equity Shares	[●]	[●]

**Note:** In the event last dates are mentioned for any of activities above, such activities may be undertaken on or before the dates mentioned.

## 2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines, policies, circular, notification or clarification shall be to such legislation, act, regulation, rules, guidelines, policies, circular, notification or clarification as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buy-Back Regulations, the Companies Act, the Depositories Act, and the rules and regulations made thereunder.

Acceptance	Acceptance of Equity Shares, tendered by Eligible Shareholders in the Buy-Back Offer
Acquisition Window	The separate window made available by BSE to facilitate acquisition of Equity Shares through the stock exchange mechanism pursuant to an offer in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Additional Equity Shares tendered by an Eligible Shareholders over and above the Buy-Back Entitlement of such Eligible Shareholders upto the extent of Equity Shares held by the Eligible Shareholder on the Record Date
AOP	Association of Persons
Articles/ AOA	Articles of Association of the Company
Board Meeting	Meeting of the Board of Directors held on November 14, 2018 approving the proposal for the Buy-Back Offer
Board of Directors/Board/ Director(s)	Board of Directors of the Company, including any committee constituted by the Board to exercise its powers
BSE	BSE Limited
BSE Notice	Notice issued by BSE bearing number 20170202-34 dated February 2, 2017.
Buy-Back Committee/ Committee/ Share Buy-Back Committee	Buy-Back Committee comprising of Mr. Ram Gopal Agarwal, Chairman, Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Arun Kumar Dhanuka, Whole Time Director, Mr. Rahul Dhanuka, Whole Time Director, Mr. Mridul

	Dhanuka, Whole Time Director and Ms. Jyoti Verma, Company Secretary constituted and authorized for the purposes of the Buy-Back Offer vide resolution dated November 14, 2018 of the Board of Directors.
Buy-Back Entitlement/ Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buy-Back Offer, based on the number of Equity Shares held by such Eligible Shareholder on the Record Date and the ratio/ percentage of Buy-Back applicable in the category to which such Eligible Shareholder belongs
Buy-Back Offer / Buy-Back / Buyback/ Offer	Offer by Dhanuka Agritech Limited to Buy-Back up to 15,00,000 (Fifteen Lakhs) fully paid-up Equity Shares of face value Rs. 2/- (Rupees Two Only) each from all the Eligible Shareholders, on a proportionate basis, by way of a tender offer through the stock exchange mechanism in terms of the Buyback Regulations read with SEBI Circulars and BSE Notice at a price of Rs. 550/- (Rupees Five Hundred Fifty Only) per equity share.
Buy-Back Price/ Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders, i.e., Rs. 550/- (Rupees Five Hundred Fifty Only) per Equity Share, payable in cash.
Buy-Back Regulations/Regulations	Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, including any amendments, statutory modification(s) or re-enactment(s) thereof for time being in force
Buy-Back Size	Aggregate amount of up to Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only) excluding the Transaction Cost.
Buying Broker	Emkay Global Financial Services Limited
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
Closing Date	[●]
Companies Act, 2013/ Companies Act/ Act	Companies Act, 2013 including any amendments, statutory modification(s) or re-enactment(s) thereof for time being in force
Depositories	Collectively, National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)
Dhanuka/ DAL/ Company	Dhanuka Agritech Limited
DIN	Director Identification Number
DP	Depository Participant
Draft Letter of Offer/ Offer Document/ DLOF	This Draft Letter of Offer dated December 24, 2018 filed with SEBI
DTAA	Double Taxation Avoidance Agreement
Eligible Shareholder(s)	Shareholder(s) eligible to participate in the Buy-Back Offer and would mean all equity shareholder(s) / beneficial owner(s) of Equity Shares of the Company as on the Record Date i.e. January 02, 2019, but does not include such shareholders/beneficial owners of the Equity Shares who are not permitted under applicable laws to tender shares in the Buy-back
Equity Shareholder(s) / Shareholder(s)	Holders of the Equity Shares of the Company and includes beneficial owner(s) thereof
Equity Shares / Shares	Fully paid-up equity shares of face value Rs. 2/- (Rupees Two Only) each of the Company
Escrow Account	The escrow account titled "DAL - Buyback Escrow Account" opened with HDFC Bank Limited in terms of the Escrow Agreement
Escrow Bank	HDFC Bank Limited
Escrow Agreement	Escrow Agreement dated December 17, 2018 entered into by and between the Company, Manager to the Buy-Back Offer and Escrow Bank
FCNR	Foreign Currency Non Resident account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended
FII(s)	Foreign Institutional Investor(s)
FPI(s)	Foreign Portfolio Investor(s)
Form / Tender Form	Form of Acceptance-cum-Acknowledgement to be filled in by the Eligible Shareholders to participate in the Buyback
FY/ Financial Year	Period of 12 months beginning from April 01 of a particular year and ending on March 31 of the subsequent year
General Category	Eligible Shareholders other than the Small Shareholders
GOI	Government of India
HUF	Hindu Undivided Family
Income Tax Act	Income-tax Act, 1961, as amended

LTCG	Long-term Capital Gains
Management Rules	Companies (Management and Administration) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force
Manager / Manager to the Buy-Back Offer/Emkay	Emkay Global Financial Services Limited
NECS	National Electronic Clearing Service
NEFT	National Electronic Funds Transfer
NOC	No Objection Certificate
Non-Resident Shareholders	Includes Non-Resident persons and bodies corporate, NRI(s), FII(s), FPI(s) and erstwhile OCBs
NRE	Non-residents external account
NRI	Non Resident Indian being citizens of India or persons of Indian origin (as defined under section 115C of the Income Tax Act, 1961)
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB	Overseas Corporate Bodies
Offer Period / Tendering Period	Period of 10 (ten) working days from the date of opening of the Buy-Back Offer till its closure (both days inclusive)
Opening Date	[●]
PAN	Permanent Account Number
Persons in Control	Promoters, Promoter Group, the Directors of the Promoter and Persons Acting in concert, including such persons as have been disclosed under the filings made by the Company from time to time under Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Public Announcement / PA	The Public Announcement of the Buy-Back dated December 20, 2018, which was published on December 21, 2018 in accordance with the Buyback Regulations in all editions of the Financial Express (English National daily), Jansatta (Hindi National daily and Regional Language daily), each with wide circulation
Ratio of Buy-Back	The ratio of the Buy-Back: (i) For reserved category of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for General Category of Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Eligible Shareholders, to whom this Letter of Offer and Tender Form will be sent and who are eligible to participate in the Buy-Back Offer in accordance with Buy-Back Regulations. This date shall be January 02, 2019.
Registrar to the Buy-Back Offer/Registrar	Abhipra Capital Limited
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, including any amendments thereof.
SEBI Listing Regulations/ LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller Member/ Seller Broker/ Shareholder Broker	A stock broker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buy-Back
Share Capital Rules	Companies (Share Capital and Debentures) Rules, 2014, including any amendments, statutory modifications or re-enactments thereof, for the time being in force
Small Shareholder	An Eligible Shareholder, who holds Equity Shares of market value not more than Rs. 2,00,000/- (Rupees Two Lakh), on the basis of closing price on the recognized stock exchange registering the highest trading volume, as on Record

	Date i.e. January 02, 2019.
STCG	Short-term Capital Gains
Stock Exchanges	NSE and BSE, being the stock exchanges where the Equity Shares of the Company are listed
Tender Offer	Method of Buy-Back as defined in Regulation 2(1)(q) of the Buy-Back Regulations
TRS	Transaction Registration Slip
Transaction Cost	The filing fees payable to the SEBI, Stock Exchanges fees, managers' / advisors fees, turnover charges, public announcement publication expenses, printing and dispatch expenses, transaction cost viz. brokerage, applicable taxes such as securities transaction tax, stamp duty, GST and any other incidental and related expenses
Working Day	Working day shall have the meaning ascribed to it under the Buy-Back Regulations

### 3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to Securities and Exchange Board of India (SEBI).

It is to be distinctly understood that submission of the Draft Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI, does not take any responsibility either for the financial soundness of the Company to meet the Buy-Back commitments or for the correctness of the statements made or opinions expressed in the Draft Letter of Offer. The Manager to the Buy-Back Offer, M/s. Emkay Global Financial Services Limited, has certified that the disclosures made in the Draft Letter of Offer are generally adequate and are in conformity with the provisions of Companies Act and Buy-Back Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision for tendering their Equity Shares in the Buy-Back.

It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Offer Document, the Manager to the Buy-Back Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buy-Back Offer, M/s. Emkay Global Financial Services Limited, has furnished to SEBI a due diligence Certificate dated December 24, 2018 in accordance with SEBI (Buy-Back of Securities) Regulations, 2018 which reads as follows:

“We have examined various documents and materials contained in the annexure to the Draft letter of offer, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Draft Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buy-Back Offer;
- All the legal requirements connected with the said Offer, including SEBI (Buy-Back of Securities) Regulations 2018, including any amendments, statutory modification(s) or re-enactment(s) thereof for time being in force have been duly complied with;
- The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders of the company to make a well informed decision in respect of the captioned Buy-Back Offer;
- Funds used for Buy-Back shall be as per the provisions of the Companies Act, 2013 including any amendments, statutory modification(s) or re-enactment(s) thereof for time being in force.”

The filing of the Draft Letter of Offer with SEBI, does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buy-Back.

Promoters/Directors of the Company declare and confirm that no information/material likely to have a bearing on the decision of the Eligible Shareholders has been suppressed/withheld and/or incorporated in the manner that would amount to mis-statement/mis-representation and in the event of it transpiring at any point of time that any information/material has been suppressed/withheld and/or amounts to a mis-statement / mis-representation, the Promoters/Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act, Buy-Back Regulations and other applicable laws and regulations.

The Promoters/Directors of the Company also declare and confirm that funds borrowed from Banks and Financial

Institutions will not be used for the Buy-Back.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding-off and casting adjustments. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

#### **Forward Looking Statement:**

This Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as 'aim', 'anticipate', 'believe', 'expect', 'estimate', 'intend', 'objective', 'plan', 'project', 'will', 'will continue', 'will pursue' or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in which the Company operates and its ability to respond to them, the Company's ability to successfully implement its strategy, its growth and expansion, technological changes, exposure to market risks, general economic and political conditions in India or other key markets where it operates which have an impact on its business activities or investments, the monetary and fiscal policies, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

#### **4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING**

The Buy-Back through Tender Offer was considered and approved by the Board of Directors of the Company in its meeting held on November 14, 2018. The text of the resolution passed by the Board of Directors is as under:

**“RESOLVED THAT** pursuant to Article 12 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (**“Act”**), the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014, to the extent applicable, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in compliance with the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (**“Buy-Back Regulations”**), as amended from time to time, Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the rules and regulations framed thereunder (**“FEMA”**) and subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions, sanctions and exemptions, which may be agreed to by the Board of Directors of the Company (the **“Board”**), which expression shall include any Committee constituted/to be constituted by the Board to exercise its powers, including the powers conferred by this resolution), and subject to the approval of members; consent of the Board be and is hereby accorded for Buy-Back by the Company of its fully paid-up Equity Shares of face value of Rs. 2/- (Rupees Two Only) each (**“Equity Shares”**) at a price to be finalized by the Board/Committee appointed for this purpose at a premium over the daily average of the closing prices of equity shares of the Company quoted on the BSE Limited/National Stock Exchange of India Limited during the two weeks preceding the date of the Buy-Back Committee meeting, post shareholders' approval, subject to such final price not exceeding **Rs. 550/- (Rupees Five Hundred Fifty Only)** per Equity Share payable (**“Maximum Buy-Back Price”**) in cash for an aggregate consideration not exceeding **Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only)** excluding expenses incurred or to be incurred for the buy-back like filing fee payable to Securities and Exchange Board of India, advisors' fees, public announcement publication expenses, printing and dispatch expenses, other transaction costs viz. brokerage, applicable taxes such as Securities Transaction Tax, Goods and Service Tax, Stamp Duty, etc. (**“Maximum Buy-Back Size”**), which represents 13.12% of the aggregate of the paid-up equity share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2018, out of the free reserves of the Company and/or such other source as may be permitted by the Buy-Back Regulations or the Act, from the members of the Company, as on the Record Date, to be announced by the Board (**“Record Date”**), on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders in accordance with the provisions of the Buy-Back through the Tender Offer route as prescribed under the Buy-back Regulations and circulars issued thereunder, including the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016, or such other mechanism, for the Buy-Back through Tender Offer route, as may be applicable (**“Buy-Back”**).”

**“RESOLVED FURTHER THAT** the total number of Equity Shares to be bought back would hence be 15,00,000 (Fifteen Lakhs) Equity Shares (representing 3.06% of the total issued and paid up equity share capital of the Company) or higher

depending upon the final Buy-Back Offer Price fixed as described above by the Buy-Back Committee.”

**“RESOLVED FURTHER THAT** all the equity shareholders/beneficial owners of the Equity Shares of the Company as on the Record Date (**“Eligible Shareholders”**) will be eligible to participate in the Buy-Back including the promoters and promoter group of the Company.”

**“RESOLVED FURTHER THAT** the Buy-Back shall be made out of its free reserves based on the latest audited accounts of the Company for the financial year ended March 31, 2018 and that the payments shall be made out of the Company’s current surplus and/or cash balances and/or current investments and/or cash available from internal resources of the Company (and not from any borrowed funds) and on such terms and conditions as the Board may decide from time to time at its absolute discretion.”

**“RESOLVED FURTHER THAT** the Company may buy back Equity Shares from all the existing Members holding Equity Shares of the Company on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to buy back or the number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for Small Shareholders, in accordance with the provisions of Buy-Back Regulations.”

**“RESOLVED FURTHER THAT** the Buy-Back would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 (**“Listing Regulations”**) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2015, as amended, so that the Company is in due compliance of the Minimum Public Shareholding requirement. The Company and the Promoters shall ensure compliance with the requirement of Minimum Public Shareholding requirements even after the Buy-Back.”

**“RESOLVED FURTHER THAT** the Company shall not Buy-Back the locked-in shares or other specified securities and non-transferable shares or other specified securities till the pendency of lock in or till the shares or other specified securities become transferable.”

**“RESOLVED FURTHER THAT** Ms. Jyoti Verma, Company Secretary be and is hereby appointed as the Compliance officer for the purpose of Proposed Buy-Back.”

**“RESOLVED FURTHER THAT** the draft Declaration of Solvency prepared in the prescribed form, verified by an affidavit, placed before this meeting duly signed by the Chairman for the purpose of identification be and is hereby approved and Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Rahul Dhanuka, Whole Time Director of the Company be and are hereby authorized to sign the same, for and on the behalf of the Board and file the same with the Registrar of Companies, the Securities and Exchange Board of India and/or any other concerned authorities, as may be necessary in accordance with the applicable laws.”

**“RESOLVED FURTHER THAT** the Board hereby declares that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company, and also considering all contingent liabilities the Board has formed an opinion:

- i. That immediately following the date of this Board Meeting (**“Board Meeting”**) and the date of passing the shareholder's resolution approving the proposed Buy-Back (**“Special Resolution”**), there will be no grounds on which the Company can be found unable to pay its debts;
- ii. That as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as the year immediately following the date of passing of the shareholders' resolution approving the proposed Buy Back, and having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from date of the Board meeting approving the Buy Back held today as also from the date of the shareholders' resolution approving the proposed Buy-Back;
- iii. That in forming their opinion for the above purpose, the Board has taken into account the liabilities as if the Company is being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities)”.

**“RESOLVED FURTHER THAT** the Board hereby confirms that:

- a) The Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buy-Back period;



- b) The Company shall not raise further capital for a period of one year from the closure of Buy-Back period, except in discharge of its subsisting obligations;
- c) The special resolution approving the Buy-Back will be valid for a maximum period of one year from the date of passing the said Special Resolution (or such extended period as may be permitted under the Act or the Buy-Back Regulations or by the appropriate authorities). The exact time table for the Buy-Back shall be decided by the Board (or its duly constituted Committee) within the above time limits;
- d) The Equity Shares bought back by the Company will be compulsorily extinguished and will not be held for re-issuance;
- e) The Company shall transfer from its free reserves to the Capital Redemption Reserve account a sum equal to the nominal value of the Equity Shares purchased through the Buy-Back and the details of such transfer shall be disclosed in its subsequent audited balance sheet;
- f) The Company shall not withdraw the Buy-Back after the public announcement of the offer to Buy-Back is made;
- g) The Company shall not Buy-Back locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable; and
- h) The Company confirms that as required under Section 68(2)(d) of the Act, the debt equity ratio of aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid up share capital and free reserves after the Buy-Back.
- i) The Company confirms that it shall not directly or indirectly purchase its own shares or other specified securities:
  - a. through any subsidiary company including its own subsidiary companies; and
  - b. through any investment company or group of investment companies
- j) The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buy-back Regulations and the Act within 7 (seven) days of the last date of completion of the Buy-back.”

“**RESOLVED FURTHER THAT** the Board hereby affirms that:

- a) All the Equity shares are fully paid-up.
- b) The Company shall not Buyback its shares so as to delist its shares from the Stock Exchange.
- c) That the Company shall not Buy-Back its shares from any person through negotiated deals whether on or off the stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buy-Back.
- d) the Company shall not make any offer of Buy-Back within a period of one year reckoned from the date of closure of the previous Buy-Back period;
- e) There are no defaults subsisting in the repayment of deposits, accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.
- f) that the Company has been in compliance with Sections 92, 123, 127 and 129 of the Act;
- g) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act;
- h) the aggregate amount of the Buy-Back is Rs. **82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only)** does not exceed 25% of the total paid-up equity share capital and free reserves as per the latest audited standalone financial statements of the Company as on 31<sup>st</sup> March , 2018.
- i) the maximum number of shares proposed to be purchased under the Buy-Back will not exceed 25% of the total number of shares in the paid-up equity capital as per the latest audited standalone balance sheet as of 31<sup>st</sup> March, 2018.
- j) The Company shall not allow buy-back of its shares unless the consequent reduction of its share capital is affected.

- k) The Company shall not utilize any funds borrowed from banks or financial institutions in fulfilling its obligations under the Buy-back
- l) The statements contained in all the relevant documents in relation to the Buy-back shall be true, material and factual and shall not contain any mis-statements or misleading information.”

**“RESOLVED FURTHER THAT** no information/ material likely to have a bearing on the decision of investors has been suppressed/ withheld and/ or incorporated in the manner that would amount to mis-statement/ misrepresentation and in the event of it is transpiring at any point of time that any information/ material has been suppressed/ withheld and/ or amounts to mis-statement/ misrepresentation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Act and the Buy-Back Regulations.”

**“RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any shareholder to offer and/or any obligation on the Company or the Board or the Buy-Back Committee to Buy-Back any shares, and/ or impact any power of the Company or the Board or the Buy-Back Committee to terminate any process in relation to such Buy-Back, if so permissible by law.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the power(s) conferred herein above as it may in its absolute discretion deem fit, to any Committee(s)/ Director(s)/ Officer(s)/ Authorized Representative(s) of the Company in order to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of Buy-Back like Record Date, timeframe for completion of Buy-Back, appointing Merchant Banker, Brokers, Lawyers, Registrar, Scrutinizer, Escrow Agents, and other advisors/consultants/intermediaries/agencies, as may be required, for the implementation of the Buy-Back; finalizing their terms of appointment including the fees payable and executing agreements; initiating all necessary actions for preparation and issue of various documents including Public Announcement, Draft Letter of Offer, Letter of Offer and all other documents with respect to the Buy-Back; making all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the Securities and Exchange Board of India; preparing, signing and filing of the Public Announcement, Draft Letter of Offer/Letter of Offer with the Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities; obtaining all necessary certificates and report from the statutory auditors and other third parties as required under applicable laws; entering into escrow arrangements as required in terms of the Buy-Back Regulations; opening, operating and closing of all necessary accounts including escrow account, special payment account, demat account as required in terms of Buy-Back Regulations; extinguishing dematerialized shares and physical destruction of share certificates in respect of the Equity Shares bought back by the Company; and filing such other undertakings, agreements, papers, documents and correspondence , as may be required to be filed in connection with the Buy-Back with the Securities and Exchange Board of India , the Stock Exchanges, Registrar of Companies, Depositories and/or other Regulators and statutory authorities as may be required from time to time.”

**“RESOLVED FURTHER THAT** Emkay Global Financial Services Limited, A SEBI registered Category –I Merchant Banker, be appointed as the Manager to the Buy-Back.”

**“RESOLVED FURTHER THAT** the approval of the shareholders by way of Postal Ballot for Buy-Back be sought and the Buy-Back Committee (hereinafter referred to as the **“Buy-Back Committee”**) be formed for the purpose of effecting the Buy-Back and Ms. Pragnya Parimita Pradhan, Practising Company Secretary, (COP No. 12030) be and is hereby appointed as the designated Scrutinizer for conducting the Postal Ballot (Ballot Form and e-voting) in a fair and transparent manner.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to accept and make any alteration(s) , modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy-Back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all, acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient , usual or proper in relation to or in connection with or for matters consequential to the Buy-Back without seeking any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of the resolution.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution and without affecting the generality and in addition to the authority given by the Board to the Company’s Directors/Officers/authorized person(s) elsewhere in this resolution, Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Rahul Dhanuka, Whole Time Director, Mr. Vinod Kumar Bansal, Chief Financial Officer and Ms. Jyoti Verma, Company Secretary, be and are hereby severally authorized to do the following:

1. To finalize, execute and submit necessary documents, deeds, affidavits, undertakings, certifications, agreements, forms, returns, applications, letters, etc., seek approval(s) and to represent the Company with the Securities and Exchange Board of India, Stock Exchanges, Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited and any other Regulatory authorities in connection with the Buy-Back;

2. To negotiate, finalize the terms of appointment of the Merchant Banker(s), Lawyer(s), Registrar, Escrow Agent and any other intermediaries as may be required in connection with the Buy-Back and execute any agreement(s) in this regard;
3. To incur such other expenses as may be necessary with regard to the proposed Buy-Back including fees to be paid to SEBI / other Regulatory Authorities, Registrar Fees, Fees for Escrow Agent and other intermediaries, Fee for any consultants/ advisers that may be hired, Publication expenses, postage expenses, transaction costs viz. brokerage, applicable taxes such as securities transaction tax, service tax, stamp duty, etc. and such other expenses that may be necessary or incidental in this regard.
4. To sign, e-forms for the proposed Buy-Back offer and postal ballot of the Company and all other documents that may be required to be filed with the Registrar of Companies, Delhi and Haryana, for the above said purpose.”

**The Board of Directors delegated various powers and authorities in connection with the Buy-Back to the Buy-Back Committee. The Board of Directors of the Company in its meeting held on November 14, 2018 also passed the following resolution in this regard:**

**“RESOLVED THAT the “Buy-Back Committee”** of the Board of Directors consisting of Mr. Ram Gopal Agarwal, Chairman , Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Arun Kumar Dhanuka , Whole Time Director, Mr. Rahul Dhanuka, Whole Time Director, Mr. Mridul Dhanuka, Whole Time Director and Ms. Jyoti Verma, Company Secretary be and is hereby re-constituted to do all acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper or may consider to be in the best interest of shareholders, authorized, empowered and deemed to have been authorized and empowered to exercise all powers and discharge all functions which the Board is authorized, including, inter alia:

1. To perform and to authorize the performance of all such acts and deeds which are necessary or advisable for the implementation of the Buy-Back without any further approval of the Board.
2. To seek approval of the Shareholders through Postal Ballot / e-voting and to do all necessary actions related thereto, including approving Postal Ballot Notice and appointment of Scrutinizer.
3. To approve and file various documents including Public Announcement, Draft Letter of Offer, Final Letter of Offer, of Extinguishment of shares and such other documents that may require approval of the Board.
4. To fix the record date in accordance with the Buy-Back Regulations for determining the entitlement of shareholders to participate in the Buy-Back;
5. To approve the opening/ closing and operation of Demat Account(s), Bank Account, Escrow Account(s), Special Account(s) for the purpose of payment and authorizing persons/ entities (including the Manager to the Buy-Back offer) to operate said accounts;
6. Filing response to the queries raised by the Manager to the Buy-Back Offer, Securities and Exchange Board of India, the Stock Exchanges and other appropriate authorities in connection with the proposed buy-Back.
7. To finalize the appointment of Bankers, Merchant Banker(s), Lawyer(s), Registrar, depository participants, advertising agencies, consultants, Escrow Agent and any other intermediaries/ agencies as may be required for implementation of Buy-Back;
8. To approve and authorize execution of any application(s), agreements, deeds, documents, declarations, writings, etc., (including any alterations or modifications thereof), as may be required from time to time, in connection with the Buy-Back and file or cause the filing of the same with the appropriate authorities as may be required;
9. Making applications to the appropriate authorities for their requisite approvals including approvals as may be required from the Reserve Bank of India under the Foreign Exchange Management, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the rules, regulations framed thereunder.
10. Extinguishment of share certificates and filing of certificates of extinguishment required to be filed in connection with the Buy-Back on behalf of the Company and/or the Board.
11. Sign, execute and deliver such documents as may be necessary or required or desirable in connection with or incidental to the Buy-Back; execution of documents under the Common Seal of the Company as may be required.

12. To authorize the directors and/or the officers of the Company in connection with any or all of the above matters, to do all such acts, deeds, matters and things as they may deem necessary and expedient at their absolute discretion without any further approval of the Board.”
13. To decide the ‘designated stock exchange’ for the Buy-Back.
14. To establish Investor Service Centre/s.
15. To verify offer / acceptances received, finalizing basis of acceptance, pay to the shareholders consideration for shares bought back pursuant to the Buy-Back, issue rejection letters, if any, decide on opening date for commencing of offer for Buy-Back and closing date thereof, etc.
16. To carry out management discussion and analysis on the likely impact of the Buy-Back on the Company’s earnings, public holdings, holdings of NRIs / FIIs, etc., promoters’ holdings and change in management structure.

Ms. Jyoti Verma, Company Secretary, shall act as secretary to the committee.”

**“RESOLVED FURTHER THAT** the Buy-Back Committee be and is hereby authorized to delegate all or any of the authorities conferred on it to any Director(s)/ Officer(s)/ Authorized Representative(s) of Company.”

**“RESOLVED FURTHER THAT** the quorum for any meeting of the Buy-Back Committee for implementing the Buy-Back shall be two members.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Buy-Back Committee be and is hereby authorized to give such directions as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise in relation to Buy-Back.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Committee be and is hereby authorized to accept and make any alteration(s) , modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buy-Back, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all, acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient , usual or proper in relation to or in connection with or for matters consequential to the Buy-Back without seeking any further consent or approval of the Board.”

## 5. DETAILS OF PUBLIC ANNOUNCEMENT

As per Regulation 7(i) of the Buy-Back Regulations, the Company has made a Public Announcement dated December 20, 2018 for the Buy-Back of Equity Shares, which was published on December 21, 2018, in the following newspapers which is within two working days from December 20, 2018, i.e. the date of announcement of the results of resolution approved through the postal ballot approving the Buy-Back:

Publication/Newspaper	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Editions

The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

A copy of this Public Announcement is available on the website of the Company at [www.dhanuka.com](http://www.dhanuka.com) and expected to be available on the SEBI website [www.sebi.gov.in](http://www.sebi.gov.in) and on the website of stock exchanges at [www.nseindia.com/](http://www.nseindia.com/) [www.bseindia.com](http://www.bseindia.com) during the period of the Buyback.

## 6. DETAILS OF THE BUY-BACK

- 6.1. The Board of Directors, at their meeting held on November 14, 2018 has, in accordance with Article 12 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and all other applicable provisions, if any of the Act, the Share Capital Rules, the Management Rules, including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance with the SEBI Listing Regulations and Buy-Back Regulations, approved the proposal to Buy-Back of the Company’s Equity Shares, subject to such other approvals, permissions, sanctions and exemptions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the appropriate authorities which may be agreed by the Board of Directors, and subject to such conditions and modifications as may be prescribed or imposed by such government, regulatory, statutory or appropriate authorities.
- 6.2. The Company sought approval of its shareholders for the said Buy-Back, by a special resolution, through the Postal Ballot Notice dated November 14, 2018. The shareholders approved the said proposal of Buy-Back of Equity Shares and the results

of the postal ballot were announced on December 20, 2018.

The Company was thus authorized by way of the special resolution passed by the shareholders to Buy-Back of its fully paid-up Equity Shares of face value of Rs. 2/- (Rupees Two Only) each at a price to be finalized by the Board/Committee appointed for this purpose at a premium over the daily average of the closing prices of equity shares of the Company quoted on the BSE Limited/ National Stock Exchange of India Limited during the two weeks preceding the date of the Buy-Back Committee Meeting, post shareholders' approval, subject to such final price not exceeding Rs. 550/- (Rupees Five Hundred & Fifty Only) per Equity Share payable in cash for an aggregate consideration not exceeding Rs. 82.50 Crores (Rupees Eighty Two Crores & Fifty Lakhs Only) excluding the Transaction Cost, which represents 13.12% of the aggregate of the paid-up equity share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2018, out of the free reserves of the Company and/or such other source as may be permitted by the Buy-Back Regulations or the Act, from the Eligible Shareholders, as on the Record Date, to be announced by the Board, on a proportionate basis, provided that 15% (fifteen percent) of the number of Equity Shares which the Company proposes to Buyback or number of Equity Shares entitled as per the shareholding of small shareholders as on the record date, whichever is higher, shall be reserved for the small shareholders in accordance with the provisions of the Buy-Back through the Tender Offer route as prescribed under the Buy-Back Regulations and circulars issued thereunder, including the **“Mechanism for acquisition of shares through Stock Exchange”** notified by SEBI Circulars and BSE Notice, or such other mechanism, for the Buy-Back through Tender Offer route, as may be applicable.

- 6.3. Subsequent to the approval by the shareholders through the postal ballot, the Buy-Back Committee in its meeting held on December 20, 2018 has determined the final Buy-Back Price of Rs. 550/- (Rupees Five Hundred and Fifty Only) per Equity Share. The Buy-Back Offer will comprise a purchase of up to 15,00,000 (Fifteen Lakhs) Equity Shares, aggregating up to 3.06% of the paid-up equity shares of the Company as on March 31, 2018 at a price of Rs. 550/- (Rupees Five Hundred Fifty Only) per Equity Share aggregating to Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only) excluding the Transaction Cost.

The final Buy-Back Price determined by the Buy-Back Committee is at a premium of 51.52% and 49.05% over the closing prices of Equity Shares of the Company quoted on the NSE/ BSE as on November 01, 2018, being the trading day preceding the date of the prior intimation for meeting of Board of Directors, wherein the proposal of the Buy-Back was considered.

- 6.4. The class of shares, number intended to be purchased, price per share, maximum amount required under the Buy-Back are as follows:

Name of the Company	Dhanuka Agritech Limited
Class of Shares	Equity
Face Value per Share	Rs. 2/- each
Buy-Back Price per Share	Rs. 550/-
Maximum amount to be expensed towards the Buyback and its percentage with respect to the total paid-up equity share capital and free reserves of the Company	The maximum amount required for Buyback will not exceed Rs.82.50 crore (Rupees Eighty Two Crores and Fifty Lakhs Only) excluding Transaction Costs, which represents 13.12% of the aggregate of the paid-up equity share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2018  The funds for Buy-Back will be financed out of Company's current balances of cash and cash equivalents and other current investments and/or internal accruals of the Company.
Maximum number of Equity Shares proposed to be bought back	15,00,000 (Fifteen Lakhs) Equity Shares of face value of Rs.2 each of the Company.
As a percentage of paid-up equity share capital as on March 31, 2018	3.06%
As a percentage of paid-up equity share capital and free reserves as on March 31, 2018	13.12%

- 6.5. The Buy-Back shall be undertaken on a proportionate basis from the Eligible Shareholders through the Tender Offer process prescribed under the Buy-Back Regulations. Additionally, the Buy-Back shall be implemented by the Company using the

“Mechanism for acquisition of shares through stock exchange” as specified by the SEBI Circulars. In this regard, the Company will request the Stock Exchanges viz. BSE to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, BSE shall be the Designated Stock Exchange. Once the Buy-Back is concluded, all Equity Shares bought back by the Company in the Buy-Back will be extinguished.

- 6.6. The aggregate paid-up share capital and free reserves of the Company as per the audited Balance Sheet as on March 31, 2018 is Rs. 628.63 Crores (Rupees Six Hundred Twenty Eight Crores and Sixty Three Lakhs Only). Under the provisions of the Act, the maximum amount utilized for the Buy-Back shall not exceed 25% of the total paid-up capital and free reserves of the Company, as per the audited standalone financial statements of the Company as on March 31, 2018, i.e., Rs. 157.16 Crores (Rupees One Hundred Fifty Seven Crores and Sixteen Lakhs Only). The maximum amount proposed to be utilized for the Buy-Back Offer is Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only), excluding the Transaction Cost and is therefore within the limit of 25% of the Company’s total paid-up equity capital and free reserves, as per the audited standalone Financial Statements as on March 31, 2018.

Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the fully paid-up Equity Shares of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 1,22,69,581 (One Crores Twenty Two Lakhs Sixty Nine Thousand Five Hundred and Eighty One) Equity Shares. As the Company proposes to Buy-Back up to 15,00,000 (Fifteen Lakhs) Equity Shares, which aggregates up to 3.06% of the paid-up Equity Shares of the Company as on March 31, 2018, the same is within the aforesaid 25% limit.

- 6.7. **The Aggregate Shareholding of the Promoter(s)/ Promoter Group being individuals and the companies/entities forming part of the Promoter Group and Persons in Control of the Company, the Directors/ Trustees of the Promoters/ Promoter Group, where the Promoter is a Company/ trust, and the Directors and Key Managerial Personnel of the Company, as on the the date of the Public Announcement being December 20, 2018, is as follows:**

- a.) **Shareholding of the Promoter(s) / Promoter Group being individuals and the companies/entities forming part of the Promoter Group and Persons in Control, as on the date of Public Announcement:**

Sr. No.	Name of Shareholders	No. of Equity Shares held	Percentage of shareholding (%)
1	M/s Gobind Lal Dhanuka HUF	10	0
2	M/s Arun Kumar Dhanuka HUF	11	0
3	Ms. Pushpa Dhanuka	19	0
4	M/s Exclusive Leasing & Finance Limited	26	0
5	M/s Golden Overseas Private Limited	26	0
6	M/s Hindon Mercantile Limited	26	0
7	M/s Mridul Dhanuka HUF	52	0
8	M/s Ram Gopal Agarwal HUF	52	0
9	Ms. Mamta Dhanuka	8,760	0.02
10	Mr. Arjun Dhanuka	9,044	0.02
11	Ms. Seema Dhanuka	13,584	0.03
12	Mr. Satya Narain Agarwal	22,500	0.05
13	Ms. Madhuri Dhanuka	29,200	0.06
14	Mr. Harsh Dhanuka	29,465	0.06
15	Mr. Mahendra Kumar Dhanuka	29,465	0.06
16	Ms. Megha Dhanuka	29,465	0.06
17	Mr. Mridul Dhanuka	29,465	0.06
18	Ms. Uma Dhanuka	29,465	0.06
19	Ms. Urmila Dhanuka	29,465	0.06
20	Ms. Akangsha Dhanuka	30,456	0.06
21	Mr. Arun Kumar Dhanuka	38,964	0.08
22	M/s Satyanarain Agarwal HUF	41,000	0.08
23	Mr. Abhishek Dhanuka	83,000	0.16
24	M/s Mahendra Kumar Dhanuka HUF	1,85,449	0.38
25	Mr. Manish Dhanuka	3,04,375	0.62
26	Mr. Rahul Dhanuka	3,28,328	0.67
27	Mr. Ram Gopal Agarwal	3,61,419	0.74
28	Pushpa Dhanuka Trust	53,29,194	10.86

29	Triveni Trust	2,98,46,458	60.81
	<b>Total</b>	<b>3,68,08,743</b>	<b>75.00</b>

**b.) Shareholding of the Directors and Key Managerial Personnel of the Company:**

S. No.	Name	Designation	No. of Equity Shares held	Percentage of shareholding
1.	Mr. Rahul Dhanuka	Whole Time Director	328328	0.67
2.	Mr. Mridul Dhanuka	Whole Time Director	29465	0.06
3.	Mr. Priya Brat	Director	Nil	-
4.	Ms. Asha Mundra	Director	Nil	-
5.	Mr. Indresh Narain	Director	800	0.00
6.	Mr. Ram Gopal Agarwal	Whole Time Director	361419	0.74
7.	Mr. Arun Kumar Dhanuka	Whole Time Director	38964	0.08
8.	Mr. Mahendra Kumar Dhanuka	Managing Director	29465	0.06
9.	Mr. Vinod Kumar Jain	Director	Nil	-
10.	Mr. Sanjay Saxena	Director	Nil	-
11.	Mr. Sachin Kumar Bhartiya	Director	Nil	-
12.	Mr. Om Prakash Khetan	Director	Nil	-
13.	Mr. Ashish Saraf	Whole Time Director	Nil	-
14.	Mr. Vinod Kumar Bansal	Chief Financial Officer (KMP)	Nil	-
15.	Ms. Jyoti Verma	Company Secretary	Nil	-
	<b>Total</b>		<b>788441</b>	<b>1.61</b>

- 6.8. No Equity Shares of the Company have been purchased/ sold by any member of the Promoter(s)/ Promoters Group, and persons in control of the Company, the Director/ Trustees of the Promoter/ Promoter Group, where the Promoter is a Company/ Trust, and the Directors and KMP of the Company during the period of twelve months preceding the date of the Board Meeting at which the Buy-Back was approved and from the date of Board meeting till the Date of Public Announcement and twelve months preceding the Public Announcement.
- 6.9. In terms of the Buy-Back Regulations, under the Tender Offer route, the Promoters and Promoter Group of the Company have an option to participate in the Buy-Back. In this regard, the Promoters and Promoter Group ("**Participating Promoters**") have expressed their intention to participate in the Buy-Back and offer at least such number of shares which is equal to their respective pro-rata entitlement under the Buy-Back. In addition, they may offer additional shares aggregate maximum number of 3,66,62,243 Equity Shares as mentioned below or such number of shares as required in compliance with the Buyback Regulations.

Furtherance to the above intention of Promoter Group, the maximum number of shares that the Promoter Group may tender are given in the table below:

S.No.	Name	No. of Shares held and maximum number of shares intended to be tendered
1.	M/s Gobind Lal Dhanuka HUF	10
2.	M/s Arun Kumar Dhanuka HUF	11
3.	Ms. Pushpa Dhanuka	19
4.	M/s Exclusive Leasing & Finance Limited	26
5.	M/s Golden Overseas Private Limited	26
6.	M/s Hindon Mercantile Limited	26

7.	M/s Mridul Dhanuka HUF	52
8.	M/s Ram Gopal Agarwal HUF	52
9.	Ms. Mamta Dhanuka	8,760
10.	Mr. Arjun Dhanuka	9,044
11.	Ms. Seema Dhanuka	13,584
12.	Ms. Madhuri Dhanuka	29,200
13.	Mr. Harsh Dhanuka	29,465
14.	Mr. Mahendra Kumar Dhanuka <sup>2</sup>	29,465
15.	Ms. Megha Dhanuka <sup>2</sup>	29,465
16.	Mr. Mridul Dhanuka	29,465
17.	Ms. Uma Dhanuka <sup>3</sup>	29,465
18.	Ms. Urmila Dhanuka	29,465
19.	Ms. Akangsha Dhanuka <sup>3</sup>	30,456
20.	Mr. Arun Kumar Dhanuka	38,964
21.	M/s Mahendra Kumar Dhanuka HUF	1,85,449
22.	Mr. Manish Dhanuka	3,04,375
23.	Mr. Rahul Dhanuka <sup>1 &amp; 2</sup>	3,28,328
24.	Mr. Ram Gopal Agarwal	3,61,419
25.	Pushpa Dhanuka Trust	53,29,194
26.	Triveni Trust	2,98,46,458
	<b>Total</b>	<b>3,66,62,243</b>

<sup>1</sup> Director in M/s Exclusive Leasing and Finance Limited

<sup>2</sup> Director in M/s Golden Overseas Private Limited

<sup>3</sup> Director in M/s Hindon Mercantile Limited

The Participating Promoters intend to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buy-Back Regulations / terms of the Buy-Back.

- 6.10. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. The Promoter is already in control over the Company and therefore any further increase in the voting rights of the Promoter will not result in any change in control of the Company.

The present Promoter Group shareholding in the Company is at 75%. Assuming that the Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back Company, the aggregate shareholding of the Promoter Group, post Buy-Back shall increase to [●]% of the post Buy-Back Equity Share Capital of the Company, if all the public shareholders participate upto their entitlement (full acceptance). Post Buy-Back shareholding of the Promoter Group shall decrease to [●]%, if none of the public shareholder participate in the Buy-Back and the Promoters and Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back.

For details with respect to aggregate shareholding of Promoters & Promoter Group and Persons in Control post the Buy-back, please refer to Paragraph 13.6 of this Draft Letter of Offer.

- 6.11. Participating Promoters have undertaken that if, as a result of Buy-Back Offer, the public shareholding of the Company falls below 25% of the total Paid-up Equity Share Capital of the Company, the Promoters and Promoter Group will reduce their shareholding in such manner and in compliance with the second proviso to the Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contracts (Regulations) Rules 1957, so that the minimum public shareholding remains at or above 25%.
- 6.12. Details of the date and price of acquisition of the Equity Shares that the Promoters and Promoter Group intend to tender are set-out below:



Sr No	Name of Shareholder	Number of Shares Acquired/ (Sold)	Date of acquisition	Cost of Acquisition in Rs.	Remarks
1	Mr. Arun Kumar Dhanuka HUF	11	2/12/2015	20	Scheme of arrangement#
2	M/s Gobind Lal Dhanuka HUF	11	2/12/2015	20	Scheme of arrangement#
		(1)	22/03/2017	850	Buy-back
3	Ms. Pushpa Dhanuka	22	2/12/2015	40	Scheme of arrangement#
		(3)	22/03/2017	2,550	Buy-back
4	M/s Ram Gopal Agarwal HUF	62	2/12/2015	20	Scheme of arrangement#
		(10)	22/03/2017	8,500	Buy-back
5	M/s Mridul Dhanuka HUF	62	2/12/2015	20	Scheme of arrangement#
		(10)	22/03/2017	8,500	Buy-back
6	Ms. Mamta Dhanuka	9,204	2/12/2015	16,650	Scheme of arrangement#
		(444)	22/03/2017	3,77,400	Buy-back
7	M/s Mahendra Kumar Dhanuka HUF	40,000	23/05/2007	80,000	Scheme of arrangement*
		1,54,856	2/12/2015	50,020	Scheme of arrangement#
		(9,407)	22/03/2017	79,95,950	Buy-back
8	Mr. Manish Dhanuka	2,85,900	23/05/2007	448800	Scheme of arrangement*
		44,212	2/12/2015	1074980	Scheme of arrangement#
		(15,937)	22/03/2017	1,35,46,450	Buy-back
		(9,800)	20/06/2017	82,38,370	Post Buy-back Offer for Sale
9	Mr. Ram Gopal Agarwal	1,94,000	23/05/2007	3,88,000	Scheme of arrangement*
		1,85,753	2/12/2015	60,000	Scheme of arrangement#
		(18,334)	22/03/2017	1,55,83,900	Buy-back
10	Mr. Rahul Dhanuka	3,50,535	23/05/2007	7,01,070	Scheme of arrangement*
		30,959	2/12/2015	10,000	Scheme of arrangement#
		(18,419)	22/03/2017	1,56,56,150	Buy-back
		(30,292)	20/06/2017	2,54,58,003	Post Buy-back Offer for Sale
		(4,455)	21/06/2017	38,55,090	Post Buy Back Offer for sale
11	Ms. Uma Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
12	Mr. Mridul Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
13	Ms. Megha Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
14	Mr. Mahendra Kumar Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
15	Mr. Harsh Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
16	Mr. Arun Kumar Dhanuka	39,607	2/12/2015	10,66,650	Scheme of arrangement#
		(643)	22/03/2017	5,46,550	Buy-back
17	Mr. Arjun Dhanuka	9,209	2/12/2015	16,660	Scheme of arrangement#
		(165)	22/03/2017	1,40,250	Buy-back
18	Ms. Seema Dhanuka	13,808	2/12/2015	24,980	Scheme of arrangement#
		(224)	22/03/2017	1,90,400	Buy-back
19	Ms. Madhuri Dhanuka	30,680	2/12/2015	9,910	Scheme of arrangement#
		(1,480)	22/03/2017	12,58,000	Buy-Back

20	Ms. Akangsha Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(503)	22/03/2017	4,27,550	Buy-back
21	Ms. Urmila Dhanuka	30,959	2/12/2015	10,000	Scheme of arrangement#
		(1,494)	22/03/2017	12,69,900	Buy-back
22	Pushpa Dhanuka Trust	54,17,266	2/12/2015	98,00,000	Scheme of arrangement#
		(88,072)	22/03/2017	7,48,61,200	Buy-back
23	Triveni Trust	3,03,39,712	2/12/2015	98,00,000	Scheme of arrangement#
		(4,93,254)	22/03/2017	41,92,65,900	Buy-back
24	M/s. Hindon Mercantile Limited	31	2/12/2015	10	Scheme of arrangement#
		(5)	22/03/2017	4,250	Buy-back
25	M/s. Golden Overseas Private Limited	31	2/12/2015	10	Scheme of arrangement#
		(5)	22/03/2017	4,250	Buy-back
26	M/s. Exclusive Leasing & Finance Limited	31	2/12/2015	10	Scheme of arrangement#
		(5)	22/03/2017	4,250	Buy-back
	<b>Total</b>	<b>3,66,62,243</b>			

*\*Pursuant to Scheme of Amalgamation of M/s Northern Minerals Limited with the Company.*

*#Pursuant to Comprehensive Scheme of Amalgamation of M/s A.M. Bros. Fintrade Pvt. Ltd. and M/s Dhanuka Finvest Pvt. Ltd. with the Company.*

- 6.13. The Company is not undertaking this Buy-Back so as to delist its Equity Shares or other specified securities from the stock exchanges.

## **7. AUTHORITY FOR THE BUY-BACK**

- 7.1 The Buy-Back is in accordance with the provisions of Article 12 of the Articles of Association of the Company, the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, the Companies (Share Capital and Debentures) Rules, 2014, the provisions of Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and othe applicable provisions. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable law.
- 7.2 The Buy-Back has been duly authorized by way of the resolution passed by the Board of Directors of the Company at its meeting held on November 14, 2018.
- 7.3 The Shareholders have approved the Buy-Back by special resolution through Postal Ballot, the results of which were announced on December 20, 2018.
- 7.4 The final terms of the Buy-Back were decided by the Buy-Back Committee in its meeting held on December 20, 2018.

## **8. NECESSITY FOR THE BUY-BACK**

The Buy-Back is being proposed by the Company to return surplus funds to the shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, efficient and cost-effective manner. Additionally, the Company's management strives to increase shareholder's value and the Buy-Back would result in the following benefits, amongst other things:

- The Buy-Back will improve the earnings per share (EPS), return on capital employed (ROCE) and return on equity (ROE);
- The Buy-Back will help in achieving an optimal capital structure;
- The Buy-Back will help the Company to distribute surplus cash to its Members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
- The Buy-Back, which is being implemented through the Tender Offer route as prescribed under the Buy-Back Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the outlay to small shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- The Buy-Back gives an option to the Members holding Equity Shares of the Company, to either (i) choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy-Back Offer or (ii) choose to not participate and enjoy

a resultant increase in their percentage shareholding, post the Buy-Back Offer, without additional investment.

After considering several factors and benefits to the Members holding Equity Shares of the Company and considering the increase in accumulated free reserves as well as the cash liquidity reflected in the latest audited standalone financial statements for the financial year ended March 31, 2018, the Board decided to recommend the Buy-Back aggregating to an amount not exceeding Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only) (representing up to 13.12% of the aggregate paid-up equity share capital and free reserves as per the latest audited standalone financial statements of the Company as on March 31, 2018).

## **9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF BUY-BACK ON THE COMPANY**

- 9.1 The Buy-Back is not likely to cause any material impact on the profitability / earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. However, assuming response to the Buy-back is to the extent of 100% from all the Eligible Shareholders upto their Buy-back Entitlement, the funds deployed by the Company towards the Buy-back would be Rs. 82.50 Crores (Rupees Eighty-Two Crores and Fifty Lakhs only) and this will impact the investment income (that could have been earned by the Company), on account of reduced amount of funds available.
- 9.2 Participating Promoters have expressed their intention to participate in the Buy-Back and offer upto an aggregate maximum of 3,66,62,243 Equity Shares, in compliance with the Buy-Back Regulations / terms of the Buy-Back.
- 9.3 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.4 The Buy-Back will provide the Shareholders an additional exit opportunity at a reasonable price reduction in outstanding number of Equity Shares and the consequent increase in the earning per share. The Buyback is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.5 All of the Directors and Key Managerial Personnel of the Company are eligible to participate in the Buy-Back on the same terms as all other Eligible Shareholders. Except as otherwise provided herein, the Directors and Key Managerial Personnel have not indicated whether they intend to participate in the Buy-Back or the number of Equity Shares that they intend to tender in the Buy-Back.
- 9.6 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. The Promoter is already in control over the Company and therefore any further increase in the voting rights of the Promoter will not result in any change in control of the Company or otherwise affect the existing management structure of the Company.
- 9.7 The present Promoter Group shareholding in the Company is at 75%. Assuming that the Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back Company, the aggregate shareholding of the Promoter Group, post Buy-Back shall increase to [●]% of the post Buy-Back Equity Share Capital of the Company, if all the public shareholders participate upto their entitlement (full acceptance). Post Buy-Back shareholding of the the Promoter Group shall decrease to [●]% if none of the public shareholder participate in the Buy-Back and the Promoters and Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back.
- 9.8 Consequent to the Buy-Back and based on the number of Equity Shares bought back from the Eligible Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding pattern of the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buy-Back.
- 9.9 The debt-equity ratio post Buy-Back will be compliant with the permissible limit of 2:1 prescribed under Section 68 of the Companies Act, 2013 even if the response to the Buy-Back is to the extent of 100% (full acceptance) of the Buy-Back Offer Size.
- 9.10 The Buy-Back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.11 In compliance with regulation 24 (i) (b) of the Buyback Regulations, the Company shall not issue any equity shares or other securities (including by way of bonus) till the date of closure of the Buyback.
- 9.12 The Company shall not raise further capital for a period of one year from the closure of Buyback Offer except in

discharge of its subsisting obligations.

9.13 The Promoter Group of the Company shall not deal in the Equity Shares of the Company in the stock exchange or off-market during the period between the date of passing of the Board Resolution of the Buyback i.e. Wednesday, November 14, 2018 and the date of the closure of the Buyback in accordance with the Buyback Regulations.

9.14 Salient financial parameters consequent to the Buy-Back based on the latest standalone audited results as on March 31, 2018 are as under:

<b>Parameters (based on audited standalone financial statements for year ended March 31,2018)</b>	<b>Pre Buy-back</b>	<b>Post Buy-back (Assuming Full Acceptance)</b>
Net worth (Rs. in Lakhs)	63,240.42	54,990.42
Return on Net worth (%)	19.95	22.95
Earnings Per Share (Rs.)	25.71	26.52
Book Value per Share (Rs.)	128.86	115.58
P/E as per the latest audited standalone financial statements	21.42	20.77
Total Debt/ Equity Ratio	0.01	0.01

**Notes:**

- a. The audited standalone financial statements as on March 31,2018 have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018.
- b. Pre and Post Buy-back calculations are based on audited standalone financial statements as on March 31, 2018. The post Buy-back numbers are calculated by reducing the net worth by the proposed Buy-back amount (assuming full acceptance) without factoring in any other impact to the net worth. Simultaneously, outstanding Equity Shares (for calculating the EPS) have been calculated by reducing the Maximum Number of Equity Shares to be bought back from the pre-Buy-Back number of shares.
- c. Net worth is calculated as aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone financial statements as on March 31, 2018, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- d. Return on Net Worth = Profit After Tax (PAT) / Net Worth.
- e. EPS = PAT / Weighted Average No. of Shares
- f. PAT is Profit After Tax before Other Comprehensive Income.
- g. Share price used to calculate P/E has been taken as closing price of March 28, 2018 on NSE i.e. Rs. 550.80.
- h. Book Value per Share = Net Worth / Total Outstanding Shares as on March 31, 2018
- i. Debt Equity Ratio = Total Debt / Net Worth

**10. BUY-BACK PRICE AND BASIS OF CALCULATING BUY-BACK PRICE**

- 10.1. The Buy-Back Price of Rs. 550/- (Rupees Five Hundred Fifty Only) per equity share has been arrived at after considering various factors including, but not limited to the trends in the volume weighted average prices of the Equity Shares on NSE and BSE, where the Equity Shares are listed, book value of Shares, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of Buy-Back on the earnings per share.
- 10.2. The Maximum Buy-Back Price represents premium of 51.52% and 49.05% over the closing price of the Equity Shares on NSE/ BSE respectively, as on November 01, 2018 being the trading day prior to the date on which the Company intimated BSE Limited of the date of the meeting of the Board of Directors, wherein the proposal of the Buy-Back was considered.
- 10.3. The Maximum Buy-Back Price represents premium of 26.00% and 26.12% over the daily average of the closing price of Equity Share of the Company on NSE/ BSE during the two weeks preceding the Buy-Back Committee Meeting held on December 20, 2018 to determine final terms and conditions of Buyback.

- 10.4. For trends in the market price of the Equity Shares, please refer to Paragraph 16 of this Draft Letter of Offer.
- 10.5. The Buy-Back Price is at premium of about 326.82% to the Company's book value per equity share, which pre Buy-Back, as on March 31, 2018 is Rs. 128.86, based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.14 of this Draft Letter of Offer.
- 10.6. The Earning per Share of the Company pre Buy-Back as on March 31, 2018 was Rs. 25.71, which will increase to Rs. 26.52 post Buy-Back based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.14 of this Draft Letter of Offer.
- 10.7. The Return of Net-worth of the Company pre Buy-Back as on March 31, 2018 was 19.95% which will increase to 22.95% post Buy-Back based on the assumption mentioned in notes to table on salient financial parameters in paragraph 9.14 of this Draft Letter of Offer.

## **11. SOURCES OF FUNDS FOR THE BUY-BACK**

- 11.1. Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buy-Back of 15,00,000 (Fifteen Lakhs) Equity Shares at a price of Rs. 550/- (Rupees Five Hundred Fifty Only) per Equity Share would be Rs. 82.50 Crores/- (Rupees Eighty Two Crores and Fifty Lakhs only), excluding Transaction Cost.
- 11.2. The funds for Buy-Back will be paid out of the Company's current balances of cash and cash equivalents and other current investments and/or internal resources of the Company (and not from any borrowed funds).
- 11.3. The Buyback shall be made out of the free reserves of the Company as at March 31, 2018 (the last audited financial statements available as on the date of Board Meeting recommending the proposal of the Buyback). The Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the capital redemption reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet and annual report(s).
- 11.4. The funds for the Buyback will be sourced from internal accruals of the Company. The Company does not intend to raise additional debt for the explicit purposes of the Buy-Back. Thus, borrowed funds will not be used for the purpose of Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

## **12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT TO BE DEPOSITED THEREIN**

- 12.1. In accordance with Regulation 9(xi) of the Buy-Back Regulations, an escrow agreement dated December 17, 2018 has been entered amongst the Company, the Manager to the Buy-Back and HDFC Bank Limited ("**Escrow Bank**") having its branch at Mumbai.
- 12.2. Pursuant to the Escrow Agreement, an Escrow Account in the name and style "**DAL - Buyback Escrow Account**" has been opened with the Escrow Bank. In accordance with Regulation 9(xi) of the Buy-Back Regulations, a Bank Guarantee has been issued by HDFC Bank Limited from its bank branch located at Mumbai in favor of the Manager for an amount of Rs. 20.625 crore (Rupees Twenty Crore Sixty Two Lakhs Fifty Thousand Only), being 25% of the total consideration payable by the Company under the Buyback, assuming full Acceptance. The Bank Guarantee is valid till March 18, 2019. Further, the Company has deposited cash of Rs.82.50 Lakhs (Rupees Eighty Two Lakhs and Fifty Thousand Only) in the Escrow Account, which is 1% of the total consideration payable by the Company under the Buyback, assuming full Acceptance, in compliance with the provisions of Buyback Regulations. The Manager has been empowered to operate the Escrow Account in accordance with the Buy-Back Regulations.
- 12.3. M/s S.S Kothari Mehta & Co, Chartered Accountants (Firm Registration Number 000756N), located at Plot No. 68, Okhla Industrial Area, Phase – III, New Delhi 110020, Tel. No. +91-11-46708888, signing through their Partner Mr. Yogesh K. Gupta (Membership Number: 093214) have certified, vide their certificate dated December 20, 2018, that the Company has adequate funds to fulfill its part of obligations for the purposes of Buy-Back of 15,00,000 (Fifteen Lakhs) Equity Shares at a price of Rs. 550/- (Rupees Five Hundred Fifty only) each.
- 12.4. Based on the aforementioned certificate, the Manager to the Buy-back confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buy-back are in place and that the Company has the ability to implement the Buy-back in accordance with the Buy-back Regulations.

### 13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1. The present capital structure of the Company, as on the date is as follows:

Particulars	Amount (Rs. Lakhs)
<b>Authorized Share Capital</b>	
14,21,00,000 Equity Shares of Rs. 2 each	2842.00
5,80,000 Redeemable Non-Cumulative Preference Shares of Rs. 10 each	58.00
<b>Total Authorized Share Capital</b>	<b>2900.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4,90,78,324 Equity Shares of Rs. 2 each	981.57

13.2. Assuming full acceptance in the Buyback of 15,00,000 Equity Shares, the capital structure post Buyback would be as follows:

Particulars	Amount (Rs. Lakhs)
<b>Authorized Share Capital</b>	
14,21,00,000 Equity Shares of Rs. 2 each	2842.00
5,80,000 Redeemable Non-Cumulative Preference Shares of Rs. 10 each	58.00
<b>Total Authorized Share Capital</b>	<b>2900.00</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
4,75,78,324 Equity Shares of Rs. 2 each	951.57

13.3. There are no partly paid-up Equity Shares or calls in arrears or convertible instruments or preference shares as on the date of this Draft Letter of Offer.

13.4. The Company confirms that it shall not issue, including through a bonus issue, Equity Shares or any other specified securities, until the closing of the Buy-back.

13.5. Details of buyback programmes undertaken by the Company in the last 3 (three) years are given below:

Sr. No.	Opening Date	Closing Date	Method of Buy-back	Equity Shares Bought back
1	March 1, 2017	March 15, 2017	Tender Offer through Stock Exchange Mechanism	9,41,176

13.6. The shareholding pattern of the Company before the Buy-back as on the Record Date as well as post the Buy-back is as follows (Assuming full acceptance of Equity Shares in the Buy-Back Offer in the ratio of their entitlement) shareholding, is as shown below:

Particulars	Pre Buy-back		Post Buy-back	
	No. of Equity Shares	% to the existing equity share Capital	No. of Equity Shares	% to post Buy-back equity share Capital
Promoters and persons acting in concert	3,68,08,743	75.00	[•]	[•]
Foreign Investors (including Non Resident Indians, FIIs, FPIs and Foreign Mutual Funds)	[•]	[•]		
Financial Institutions / Banks, Mutual Funds, Insurance Companies, Alternate Investment Funds and NBFCs	[•]	[•]	[•]	[•]
Other (public, public bodies corporate etc.)	[•]	[•]		
<b>Total</b>	<b>4,90,78,324</b>	<b>100.00</b>	<b>4,75,78,324</b>	<b>100.00</b>

13.7. No Equity Shares of the Company have been purchased/ sold by any member of the Promoter(s)/ Promoters Group, and persons in control of the Company, the Director/ Trustees of the Promoter/ Promoter Group, where the Promoter is a Company/ Trust, and the Directors and KMP of the Company during the period of twelve months preceding the date of the

Board Meeting at which the Buy-Back was approved and from the date of Board meeting till the Date of Public Announcement and twelve months preceding the date of the Public Announcement.

- 13.8. There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act.
- 13.9. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. The Promoter is already in control over the Company and therefore any further increase in the voting rights of the Promoter will not result in any change in control of the Company.

The present Promoter Group shareholding in the Company is at 75%. Assuming that the Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back Company, the aggregate shareholding of the Promoter Group, post Buy-Back shall increase to [●]% of the post Buy-Back Equity Share Capital of the Company, if all the public shareholders participate upto their entitlement (full acceptance). Post Buy-Back shareholding of the Promoter Group shall decrease to [●]%, if none of the public shareholder participate in the Buy-Back and the Promoters and Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back.

For details with respect to aggregate shareholding of Promoters & Promoter Group and Persons in Control post the Buy-back, please refer to Paragraph 13.6 of this Draft Letter of Offer.

- 13.10. The Participating Promoters have also undertaken that if, as a result of Buy-Back Offer, the public shareholding of the Company falls below 25% of the total Paid-up Equity Share Capital of the Company, the Promoters and Promoter Group will reduce their shareholding in such manner and in compliance with the second proviso to the Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contracts (Regulations) Rules 1957, so that the minimum public shareholding remains at or above 25%.

#### 14. BRIEF INFORMATION OF THE COMPANY

- 14.1. Dhanuka Agritech Limited was incorporated under the provisions of the Companies Act, 1956 under the name and style as 'Dhanuka Pesticides Limited', vide certificate of incorporation bearing Registration Number 20126 of 1984-85 dated February 13, 1985 issued by the registrar of Companies, Delhi & Haryana at New Delhi. The Company obtained the Certificate for Commencement of Business on April 23, 1985 from the Registrar of Companies, Delhi and Haryana. The name of the Company was changed from Dhanuka Pesticides Limited to the present name of Dhanuka Agritech Limited vide fresh certificate of incorporation dated February 09, 2007 issued by the Registrar of Companies, NCT of Delhi & Haryana at New Delhi. The present Corporate Identification Number (CIN) of the Company is L24219DL1985PLC020126. The registered office of the Company is situated at 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi-110005.
- 14.2. The Company is engaged in the business of manufacturing of wide range of agro-chemicals like herbicides, insecticides, fungicides, immiticides and plant growth regulators in various forms – liquid, dust, powder and granules. The Company has technical collaborations with several companies including some of innovating companies in agro chemicals. The Company has manufacturing facilities located at Gurugram (Haryana); Sanand (Gujarat); Udhampur (Jammu and Kashmir); Keshwana (Rajasthan). Company R&D centre at Gurgaon is certified by the Ministry of Science and Technology, Government of India, and our quality control laboratory at Gurgaon is certified by National Accreditation Board for Laboratories. Some of brands owned by our Company are Targa Super, Sempra, Conicka, Maxx Soy, Sakura.
- 14.3. Details of the changes in the share capital of the Company since incorporation is as follows:

Date of Issue	No of Shares Issued	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Paid up Capital (Rs.)	Cumulative no of Shares
13.02.1985	1,900	10	10	19,000	1,900
03.02.1986	3,47,910	10	10	34,98,100	3,49,810
20.03.1986	14,250	10	10	36,40,600	3,64,060
23.07.1986	6,25,940	10	10	99,00,000	9,90,000
18.05.1993	9,90,000	10	10	1,98,00,000	19,80,000
23.05.2007	71,98,900	10	N.A.*	9,17,89,000	91,78,900
04.09.2010	4,58,94,500	2	N.A.**	9,17,89,000	4,58,94,500
13.09.2010	41,25,000	2	82.20	10,00,39,000	5,00,19,500
02.12.2015	3,64,92,240	2	N.A.***	10,00,39,000	5,00,19,500
27.03.2017#	(9,41,176)	2	N.A.****	9,81,56,648	4,90,78,324

\*Pursuant to Scheme of Amalgamation of M/s. Northern Minerals Ltd with the Company.

\*\*Sub-division of Shares of the Company from Rs. 10/- to Rs. 2/- each.

\*\*\* Pursuant to Comprehensive Scheme of Amalgamation of M/s. A.M. Bros. Fintrade Pvt. Ltd. and M/s. Dhanuka Finvest Pvt. Ltd. With M/s. Dhanuka Agritech Limited. Since as per this Scheme, 3,64,92,240 shares is cancelled as cross holding the cumulative number of Shares remains the same.

\*\*\*\* Buyback of 9,41,176 shares of the Company at Rs. 850 each.

14.4. The Equity Shares of the Company are listed on NSE and BSE.

BSE Code: 507717

NSE Symbol: DHANUKA

14.5. The details of the Board of Directors of the Company are as follows:

Sr. No.	Name, Date of Birth, Qualification, Occupation and DIN	Designation	Date of Appointment	Term of Present appointment	Other Directorships
1.	Mr. Ram Gopal Agarwal DOB: 30.07.1949 Qualification: B.Com (Hons) Occupation: Business DIN: 00627386	Chairman	Since Incorporation	01.11.2017-31.10.2022	M/s. H.D. Realtors Pvt. Ltd.- Unlisted M/s. Crop Care Federation of India- Limited by guarantee
2	Mr. Mahendra Kumar Dhanuka DOB: 02.01.1954 Qualification: B.Com (Hons) Occupation: Business DIN: 00628039	Managing Director	Since Incorporation	14.08.2014-13.08.2019	M/s. Dhanuka Laboratories Limited- Unlisted M/s. Golden Overseas Pvt. Ltd.- Unlisted M/s. M D Buildtech Pvt. Ltd.- Unlisted M/s. Dhanuka Infotech Pvt. Ltd.- Unlisted
3	Mr. Arun Kumar Dhanuka DOB: 14.05.1957 Qualification: B.Com Occupation: Business DIN: 00627425	Whole time Director	23.05.2007	01.08.2018-31.07.2023	M/s. Dhanuka Laboratories Limited- Unlisted
4	Mr. Rahul Dhanuka DOB: 04.04.1975 Qualification: B.Sc. & MBA Occupation: Business DIN: 00150140	Whole time Director	28.01.2002	01.05.2017-30.04.2021	M/s. Dhanuka Laboratories Limited- Unlisted M/s. H D Realtors Pvt. Ltd.- Unlisted M/s. Golden Overseas Private Limited- Unlisted M/s. Exclusive Leasing and Finance Ltd.- Unlisted Dhanuka Agri Solutions Pvt Ltd – Unlisted
5	Mr. Mridul Dhanuka DOB: 20.10.1980 Qualification: B. Tech. & MBA Occupation: Business DIN: 00199441	Whole time Director	23.05.2011	24.05.2016-23.05.2021	M/s. M D Buildtech Pvt Ltd- Unlisted M/s. Dhanuka Laboratories Ltd. - Unlisted M/s. Dhanuka Infotech Pvt Ltd. - Unlisted M/s. Otsuka Chemical (India) Pvt Ltd. - Unlisted M/s. Sikkim Agro Industries Ltd. – Unlisted Dhanuka Agri Solutions Pvt Ltd – Unlisted



6	Mr. Ashish Saraf DOB: 19.06.1970 Qualification: B.Com Occupation: Service DIN: 07767324	Whole time Director	24.03.2017	24.03.2017- 23.03.2022	Nil
7	Mr. Priya Brat DOB: 26.08.1935 Qualification: M.Sc. (Hons) Occupation: Retired Chief General Manager, SBI DIN: 00041859	Indepe nt Director	28.10.2002	20.05.2014- 19.05.2019	M/s. Dhampur Sugar Mills Ltd.- Listed M/s. South Asian Enterprises Ltd.- Listed
8	Mr. Indresh Narain DOB: 09.11.1944 Qualification: B.A. (Hons), CAIIB (London) Occupation: Retired as a Head of Complaine, Legal, HSBC Group DIN: 00501297	Indepe nt Director	23.05.2007	20.05.2014- 19.05.2019	Nil
9	Mr. Om Prakash Khetan DOB: 17.09.1934 Qualification: M.Tech Occupation: Retired head of HR/ Personnel with Steel Authority of India (SAIL) DIN: 06883433	Indepe nt Director	20.05.2014	20.05.2014- 19.05.2019	Nil
10	Mr. Vinod Kumar Jain DOB: 02.08.1949 Qualification: B.Com. Occupation: Business DIN: 01185937	Indepe nt Director	24.03.2005	20.05.2014- 19.05.2019	Nil
11	Mr. Sachin Kumar Bhartiya DOB: 01.03.1978 Qualification: Chartered Accountant Occupation: Business: DIN: 02122147	Indepe nt Director	09.02.2016	09.02.2016- 08.02.2021	M/s. Bikaji Foods International Ltd.- Unlisted M/s. Oreo Capital Advisors Pvt. Ltd.- Unlisted M/s. Lighthouse Advisors (India) Pvt. Ltd.-Unlisted M/s. Bombay Central Holdings and Trading Co Pvt. Ltd.- Unlisted Satyam Industries Limited – Listed Indian Herb Speciality Pvt Ltd - Unlisted
12	Mrs. Asha Mundra DOB: 05.04.1963 Qualification: Graduate & Export Marketing Course Occupation: Business DIN: 00394215	Indepe nt Director	06.02.2014	20.05.2014- 19.05.2019	M/s. Anupriya Marketing Ltd.- Unlisted
13	Mr. Sanjay Saxena DOB: 06.02.1966 Qualification: ICWA Occupation: Business DIN: 01257965	Indepe nt Director	22.05.2018	22.05.2018- 21.05.2023	M/s. Total Synergy Consulting Pvt. Ltd.- Unlisted

14.6. The Details of changes in the Board of Directors during the last 3 years are as under:

Name	Designation	Appointment/ Cessation	Effective Date	Reasons
Mr. Sachin Kumar Bhartiya	Non-Executive Director	Cessation	January 25, 2016	Resigned
Mr. Sachin Kumar Bhartiya	Independent Director	Appointment	February 9, 2016	Appointed as an Independent Director
Mr. Kapil Garg	Whole Time Director	Appointment	February 9, 2016	Appointed as a Whole Time Director
Mr. Kapil Garg	Whole Time Director	Cessation	August 11, 2016	Resigned
Mr. Mridul Dhanuka	Whole Time Director	Re-appointed	May 24, 2016	Re-appointed as a Whole Time Director
Mr. Subhash Chandra Chandra Lakhota	Independent Director	Cessation	August 12, 2016	Ceased to be a Director under section 167(1)(b) of the Companies Act
Mr. Balvinder Singh Kalsi	Independent Director	Appointment	November 10, 2016	Appointed as an Independent Director
Mr. Ashish Saraf	Whole Time Director	Appointment	March 24, 2017	Appointed as a Whole Time Director
Mr. Balvinder Singh Kalsi	Independent Director	Cessation	February 15, 2018	Resigned
Mr. Sanjay Saxena	Independent Director	Appointment	May 22, 2018	Appointed as an Independent Director

14.7. The Buy-Back will not result in any benefit to any Promoters, Promoter Group being in control of the Company or to any Director or to any group company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buy-Back in their capacity as Shareholders of the Company and the change in their shareholding as per the response received in the Buy-Back Offer as a result of the cancellation of Equity Shares which will lead to a reduced Equity Share Capital base post Buy-Back.

## 15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1. The salient financial information of the Company, as extracted from the audited statements for the last three financial year ended March 31, 2018, March 31, 2017 and March 31, 2016 and the unaudited financial results (limited reviewed by auditors) for six months ended September 30, 2018 is given below:

Particulars	<i>(Figures in Rupees Lakhs)</i>			
	<i>Standalone Basis</i>			
	6 Months period ended (Un-audited) September 30, 2018	12 Months period ended March 31 (Audited)		
	2018 <sup>1</sup>	2017 <sup>2</sup>	2016 <sup>3</sup>	
Revenue from Operations	59,633.01	97,624.42	1,00,077.11	82,878.73
Other Income	1,096.82	1,603.06	1,751.31	1,252.25
<b>Total Income</b>	<b>60,729.83</b>	<b>99,227.48</b>	<b>1,01,828.42</b>	<b>84,130.98</b>
Total Expenses (excluding finance cost, depreciation & amortization)	50,485.21	81,018.73	83,090.41	68,896.34
Finance Cost	41.62	87.34	98.53	110.38
Depreciation and amortization expenses	631.46	1,420.62	1,484.80	590.53
<b>Profit before tax</b>	<b>9,571.54</b>	<b>16,700.79</b>	<b>17,154.68</b>	<b>14,533.73</b>
Provision for tax	2,449.16	4,083.02	4,967.28	3802.67

(Figures in Rupees Lakhs) Standalone Basis				
Particulars	6 Months period ended (Un-audited)	12 Months period ended March 31 (Audited)		
	September 30, 2018	2018 <sup>1</sup>	2017 <sup>2</sup>	2016 <sup>3</sup>
(including Deferred Tax)				
<b>Profit/(Loss) after tax</b>	<b>7,122.38</b>	<b>12,617.77</b>	<b>12,187.40</b>	<b>10,731.06</b>
Equity Share Capital (A)	981.57	981.57	981.57	1000.39
Other Equity (B)	67,355.40	62,258.85	51,094.12	46,970.40
<b>Networth (A)+(B)</b>	<b>68,336.97</b>	<b>63,240.42</b>	<b>52,075.69</b>	<b>47,970.79</b>
Total Debt (Excluding working capital loans)	Nil	Nil	Nil	Nil

**Notes:**

- The figures mentioned are on the basis of audited Ind-AS standalone financial statements as on March 31, 2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018.
  - Based on the audited Ind-AS standalone financial statements as on March 31, 2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018.
  - P&L numbers are based on the audited IGAAP standalone financial statements for the year ended 31<sup>st</sup> March’2016, which have been audited by M/s Dinesh Mehta & Co., Chartered Accountants (FRN : 000220-N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 24 May 2016 & balance sheet numbers are based on the comparative years numbers mentioned in the audited Ind-AS standalone financial statements for the year ended 31<sup>st</sup> March’2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018.
  - Net worth is calculated as the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited standalone financial statements, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
- 15.2. Financial Ratios for the last three financial years and six months ended September 30, 2018 are as under:

Particulars	6 Months period ended (Un-audited) <sup>1</sup>	12 Months period ended March 31 (Audited)		
	September 30, 2018	2018 <sup>2</sup>	2017 <sup>2</sup>	2016
Earnings Per Share (Rs.) <sup>3</sup>	14.51	25.71	24.37	21.45 <sup>4</sup>
Debt Equity Ratio <sup>5</sup>	0.00	0.01	0.02	0.02
Book Value per Share (Rs.) <sup>6</sup>	139.24	128.86	106.11	95.90
Return on Net worth (%) <sup>7</sup>	10.42%	19.95%	23.40%	22.37%

**Notes:**

- Not annualized
- The figures mentioned are on the basis of audited Ind-AS standalone financial statements as on March 31, 2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018.
- $EPS = PAT / \text{Weighted Average No. of Shares}$
- As per the audited IGAAP standalone financial statements for the year ended 31<sup>st</sup> March’2016, which have been audited by M/s Dinesh Mehta & Co., Chartered Accountants (FRN : 000220-N) (“Predecessor Auditors”), on which they have issued an unmodified audit opinion vide their report dated 24 May 2016.

5.  $Debt\ Equity\ Ratio = Total\ Debt / Net\ Worth$
6.  $Book\ Value\ per\ Share = Net\ Worth / Total\ Outstanding\ Shares\ as\ at\ end\ of\ period$
7.  $Return\ on\ Net\ Worth = Profit\ After\ Tax\ (PAT) / Net\ Worth$ , whereby net worth considered is the closing balance at respective financial year end on the basis of audited IND-AS standalone financial statements as on March 31, 2018. PAT considered in calculation of return on net worth for the year ended 31.03.2018 & 31.03.2017 is profit for the year before Other Comprehensive Income on the basis of audited Ind-AS standalone financial statements as on March 31, 2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) ("Predecessor Auditors"), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018 & for the year ended 31.03.2016 is as per the audited IGAAP standalone financial statements for the year ended 31st March'2016, which have been audited by M/s Dinesh Mehta & co., Chartered Accountants (FRN : 000220-N) ("Predecessor Auditors"), on which they have issued an unmodified audit opinion vide their report dated 24 May 2016.

15.3. The Company shall comply with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 of the Act and the Share Capital Rules, as may be applicable to the Buy-back.

## 16. STOCK MARKET DATA

16.1. The Equity Shares of the Company are currently listed on NSE and BSE.

16.2. The high, low and average market prices for the preceding three financial years i.e. 2015-16, 2016-17 and 2017-18 during the period April- March of each year and the monthly high and low market prices for the 6 (six) full months preceding the date of the Public Announcement and the corresponding volumes on the NSE and BSE are as follows:

### NSE

Period	High (Rs.)~	Date of High	Number of Shares traded on that date	Low (Rs.) @	Date of Low	Number of Shares traded on that date	Average Price (Rs.) #	Total Volume traded in the period (Shares)
<b>Preceding 3 years</b>								
Financial Year 2015-16	718.00	29.05.2015	92,042	408.00	05.11.2015	1,39,540	537.14	50,40,728
Financial Year 2016-17	825.00	20.03.2017	51,629	553.20	08.06.2016	31,082	692.05	71,14,556
Financial Year 2017-18	929.80	02.05.2017	33,430	536.00	28.03.2018	21,650	739.07	62,69,063
<b>Preceding 6 months</b>								
June, 2018	615.00	15.06.2018	25,961	527.40	05.06.2018	16,979	568.59	2,57,066
July, 2018	566.00	04.07.2018	12,970	508.00	16.07.2018	12,789	537.97	4,98,949
August, 2018	620.00	08.08.2018	7,875	527.55	29.08.2018	24,395	560.92	2,67,835
September, 2018	555.05	07.09.2018	4,602	390.00	28.09.2018	24,344	506.34	3,44,208
October, 2018	426.75	12.10.2018	23,579	356.55	31.10.2018	18,765	393.18	3,64,071
November, 2018	457.75	20.11.2018	22,759	360.20	01.11.2018	17,320	418.19	6,02,096

(Source: [www.nseindia.com](http://www.nseindia.com))

### BSE

Period	High (Rs.)~	Date of High	Number of Shares traded on that date	Low (Rs.) @	Date of Low	Number of Shares traded on that date	Average Price (Rs.) #	Total Volume traded in the period (Shares)
<b>Preceding 3 years</b>								
Financial Year 2015-16	699.95	23.07.2015	2,264	411.05	08.10.2015 & 09.11.2015	2,250 & 2146	536.58	10,75,664
Financial Year 2016-17	822.00	20.03.2017	10,406	576.00	05.05.2016	796	691.92	21,75,827
Financial Year 2017-18	940.00	15.05.2017	1,369	536.55	28.03.2018	942	738.37	11,28,378
<b>Preceding 6 months</b>								

Period	High (Rs.)~	Date of High	Number of Shares traded on that date	Low (Rs.) @	Date of Low	Number of Shares traded on that date	Average Price (Rs.) #	Total Volume traded in the period (Shares)
June, 2018	614.90	18.06.2018	506	526.10	06.06.2018	1,577	568.46	31,713
July, 2018	567.15	04.07.2018	715	511.30	16.07.2018	574	538.29	2,96,104
August, 2018	617.00	07.08.2018	2,857	528.95	29.08.2018	611	561.04	20,201
September, 2018	560.00	10.09.2018	689	392.30	28.09.2018	1,925	507.24	14,946
October, 2018	430.00	09.10.2018	578	358.25	31.10.2018	565	394.43	47,477
November, 2018	464.00	19.11.2018 & 20.11.2018	2401 & 2,815	363.10	01.11.2018	335	419.07	39,327

(Source: www.bseindia.com)

~High is the highest price recorded for the equity share of the Company during the said period

@ Low is the lowest price recorded for the equity share of the Company during the said period

# Average Price is the arithmetical average of closing prices during the said period

16.3. The closing market price of the Equity Shares on November 13, 2018 being the last trading date before the date of the Board Meeting was Rs. 416.70 on NSE and Rs. 418.15 on BSE.

16.4. The closing market price of the Equity Shares of the Company on November 15, 2018, being the trading day immediately after the date of the Board Meeting was Rs. 421.65 per Equity Share on NSE and Rs. 420.45 per Equity Share on BSE.

16.5. The closing market price of the Equity Shares on December 19, 2018, being the last trading date prior to the date of declaration of the result for postal ballot for approval of the Buyback was Rs. 447.10 on NSE and Rs. 446.50 on BSE.

## 17. DETAILS OF THE STATUTORY APPROVALS

17.1. The Buy-Back Offer is subject to approval, if any required, under the provisions of the Act, the Buy-Back Regulations, and applicable rules and regulations as specified by RBI under FEMA and/or such other applicable act, rules and regulations in force for the time being. As on date, there are no other statutory or regulatory approvals required to implement the Buy-Back other than those indicated above.

17.2. Buy-Back from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. NRI shareholders and OCB shareholders must obtain all approvals, if required to tender the Equity Shares held by them in this Buy-Back (including without limitation the approval from the RBI). It is the obligation of such Non-Resident Shareholders, NRI, OCB shareholders, to obtain such approvals (if required) and submit such approvals along with the Tender Form, so as to enable them to tender equity shares in the Buy-Back and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to such Eligible Shareholders in respect of whom no prior RBI approval is required and not Accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

17.3. By participating in the Buy-Back, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including the form FC-TRS, if necessary and such Non-Resident Shareholders undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

17.4. As of date, there is no other statutory or regulatory approval required to implement the Buy-Back Offer, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buy-Back Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buy-Back Offer, if any, shall be intimated to the NSE and BSE and hence be made available for the benefit of the Equity Shareholder.

17.5. The Buyback has been approved by the Board of Directors in their meeting held on November 14, 2018, and by the Shareholders through postal ballot, the results of which were declared on December 20, 2018 and the final terms of Buyback were decided by Buyback Committee in its meeting held on December 20, 2018.

## 18. DETAILS OF THE REGISTRAR TO THE BUY-BACK AND COLLECTION CENTRES

The Company has appointed the following as the Registrar to the Buy-Back:

### **ABHIPRA CAPITAL LIMITED**

**CIN: U74899DL1994PLC061802**

Contact Person: Mr. Jeewat Rai/ Mr. Dinesh K Agarwal

Corporate Office: Abhipra Complex, A-387, Dilkhush Indl. Area, G.T. Karnal Road, Azadpur, New Delhi- 110033

Tel No.: 011-42390783

Fax No.: 011-42390930

Email id.: rta@abhipra.com

Website: www.abhipra.com

SEBI Regn. No.: INR000003829

Validity Period: Permanent

In case of any query, the shareholders may contact the Registrar during working hours, i.e., 10.00 a.m. to 5.00 p.m. India Standard Time on all working days except Saturday, Sunday and public holidays.

Eligible Shareholders who wish to tender their Equity Shares, are required to submit their form(s) with their broker for bidding. After entering a valid bid, the seller broker/shareholder along with the requisite documents to be sent either by registered post / courier to the Registrar to the Buy-Back, superscribing the envelope as “**Dhanuka Agritech Limited – Buy-Back 2018**”, or hand deliver the same to the Registrar at the address mentioned above, the same are received not later than 2 (two) days from the Closing Date i.e. by [●], [●], 2019 (by 5 p.m.). Eligible Shareholders holding Equity Shares in the dematerialized form are requested to refer to Paragraph 20.22.

**ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGERS TO THE BUYBACK.**

**ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.**

## 19. PROCESS AND METHODOLOGY FOR THE BUY-BACK

- 19.1. The Company proposes to Buy-Back not exceeding 15,00,000 (Fifteen Lakhs) Equity Shares from all the existing shareholders / beneficial owners of Equity Shares of the Company as on the Record Date, on a proportionate basis, through the Tender Offer route in accordance with the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, Share Capital Rules and the Buy-Back Regulations at a price of Rs. 550/- (Rupees Five Hundred Fifty Only) per Equity Share, payable in cash for an aggregate amount of Rs. 82.50 Crores (Rupees Eighty Two Crores and Fifty Lakhs Only) excluding transaction cost. The maximum number of Equity Shares proposed to be bought back represents 3.06% of the total paid-up equity share capital of the Company. The Buy-Back Size is 13.12% of the fully paid-up equity share capital and free reserves as per the latest standalone audited financials of the Company for the financial year ended March 31, 2018.
- 19.2. As on date of the Public Announcement, the aggregate shareholding of the Promoters and Promoter Group is 3,68,08,743 (Three Crores Sixty Eight Lakhs Eight Thousand Seven Hundred and Forty Three) Equity Shares, which represents 75% of the existing Equity Share capital of the Company. In terms of the Buy-Back Regulations, under the Tender Offer route, the Promoters and Promoters Group of a company have the option to participate in the Buy-Back. In this regard, the Participating Promoters of the Company, as listed in Paragraph 6.9 of this Draft Letter of Offer have expressed their intention to participate in the Buy-Back and offer upto an aggregate maximum of 3,66,62,243 Equity Shares in compliance with the Buy-Back Regulations / terms of the Buy-Back.
- 19.3. Assuming that the Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back Company, the aggregate shareholding of the Promoter Group, post Buy-Back shall increase to [●]% of the post Buy-Back Equity Share Capital of the Company, if all the public shareholders participate upto their entitlement (full acceptance). Post Buy-Back shareholding of the Promoter Group shall decrease to [●]% of the post Buy-Back if none of the public shareholder participate in the Buy-Back and the Promoters and Promoter Group tenders upto 3,66,62,243 Equity Shares in the Buy-Back.
- 19.4. The Promoters/ Promoter Group of the Company will comply with the applicable provisions of the SEBI Takeover Regulations and subsequent amendments thereto, as per the specified timelines therein.
- 19.5. All members belonging to the promoters and promoter group have also undertaken that if, as a result of Buy-Back Offer, the public shareholding of the Company falls below 25% of the total Paid-up Equity Share Capital of the Company, the

Promoters and Promoter Group will reduce their shareholding in such manner and in compliance with the second proviso to the Regulation 10(4)(c) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 19A of the Securities Contracts (Regulations) Rules 1957, so that the minimum public shareholding remains at or above 25%.

#### 19.6. Record Date, Ratio of Buy-Back and Entitlement of each Shareholder

- a) The Buy-Back Committee in its meeting held on December 20, 2018 announced January 2, 2019 as the Record Date for the purpose of determining the Buy-Back entitlement and the names of the shareholders, who are eligible to participate in the Buy-Back Offer.
- b) The Equity Shares proposed to be bought back by the Company shall be divided in two categories:
  - Reserved category for Small Shareholders (“**Reserved Category**”); and
  - General category for all shareholders other than Small Shareholders (“**General Category**”)
- c) As defined under Regulation 2(i)(n) of the Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares whose market value, on the basis of closing price on the stock exchange having highest trading volume as on the Record Date is not more than ₹ 2,00,000/- (Rupees Two Lakhs only). As on the Record Date, the closing price on NSE, being the stock exchange the having highest trading volume as on the Record Date, was Rs. [●]. Accordingly, all Equity Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback.
- d) Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on Record Date, which constitutes [●]% of the outstanding paid up equity capital of the Company and [●]% of the number of Equity Shares which are proposed to be bought back as part of this Buy-Back Offer.
- e) In compliance with Regulation 6 of the Buy-Back Regulations, the reservation for the Small Shareholders, will be [●] equity shares which is higher of:
  - i. Fifteen percent of the number of Equity Shares which the Company proposes to Buy-Back i.e. 15% of 15,00,000 (Fifteen Lakhs) Equity Shares which works out to 2,25,000 (Two Lakh Twenty Five Thousand) Equity Shares; or
  - ii. The number of Equity Shares entitled as per their shareholding as on the Record Date [i.e. January 02, 2019] which works out to [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoters Group also intends to offer Equity Shares held by them in the Buy-Back.

- f) Based on the above and in accordance with Regulation 6 of the Buy-Back Regulations, [●] Equity Shares will be reserved for Small Shareholders. Accordingly, General Category shall consist of [●] Equity Shares.
- g) Based on the above entitlements, the ratio of Buy-Back for both categories is decided as below:

Category of Shareholders	Ratio of Buy-Back
Reserved Category for Small Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date
General Category for other Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date

*Note: The above ratio of Buy-back is approximate and provides indicative Buy-back Entitlement. Any computation of entitlement using above Buyback ratio may provide a slightly different number than the actual entitlement due to rounding off. The actual Buy-back Entitlement factor for Small Shareholders under reserved category is [●] and for other shareholders under general category it is [●].*

#### 19.7. Fractional Entitlements

- a. If the entitlement under Buy-Back, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buy-Back Offer, for both categories of Eligible Shareholders.
- b. On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Share as on Record Date, will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender

additional Equity Shares as part of the Buy-Back Offer and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for additional Equity Shares. The Company shall make best efforts subject to Buyback Regulations in accepting Equity Shares tendered by such Shareholders to the extent possible and permissible.

#### **19.8. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category**

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buy-Back Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buy-Back Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in sub-paragraph (a) above, in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in sub-paragraph (a) and (b), in case, there are any validly tendered unaccepted Shares in the Reserved Category (**“Reserved Category Additional Shares”**) and Shares left to be bought back in Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy-Back Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with above Paragraph 19.8(b), shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate acceptance, as described in Paragraph 19.8(c) above, will be made as follows:
  - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Small Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

#### **19.9. Basis of Acceptance of Equity Shares validly tendered in the General Category**

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buy-Back Offer by Eligible Shareholders (other than Small Shareholders) in the General Category in the following order of priority:

- a) Full Acceptance of Shares from Eligible Shareholders in the General Category who have validly tendered their Shares, to the extent of their Buy-Back Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in Paragraph 19.9(a) above, in case, there are any validly tendered unaccepted Shares in the General Category (**“General Category Additional Shares”**) and Shares left to be bought back in General Category, the General Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buy-Back Regulations, i.e. valid acceptances per Shareholder shall be equal to the General Category Additional Shares by the Shareholder divided by the total General Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in General Category.
- c) Adjustment for fractional results in case of proportionate acceptance, as described in Paragraph 19.9 (b) above, will be made as follows:
  - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Eligible Shareholder, if the number of Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.



#### **19.10. Basis of Acceptance of Equity Shares between the two categories**

- a) After acceptances of tenders, as mentioned in Paragraph 19.8 and 19.9 above, in case, there are any Shares left to be bought back in one category (“**Partially Filled Category**”) and there are additional unaccepted validly tendered Shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the Further Additional Shares in the Over Tendered Category shall be accepted in a proportionate manner i.e. valid acceptances per shareholder shall be equal to Further Additional Shares validly tendered by the shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buy-Back Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in Paragraph 19.10(a) above out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with Paragraph 19.9.
- c) Adjustment for fraction results in case of proportionate acceptance, as defined in Paragraph 19.10 (a) above:
  - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
  - For any Shareholder, if the number of Further Additional Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 (one) and the fractional acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Board or any person(s) authorized by the Board 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 after allocation of Equity Shares as set out in the process described in Paragraph 19.6 to 19.10 above.

#### **19.11. For avoidance of doubt, it is clarified that, in accordance with paragraphs above:**

- a) That the Shares accepted under the Buy-Back Offer from each Eligible Shareholder, shall be lower of the following:
  - the number of Shares tendered by the respective Eligible Shareholder; and
  - the number of Shares held by the respective Eligible Shareholder, as on the Record Date.
- b) The Shares tendered by any Eligible Shareholder over and above the number of Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.
- c) Post allocation, up to the Entitlement of each Eligible Shareholder or the number of Equity Shares tendered by each Eligible Shareholder, whichever is lower, all over-tendered Equity Shares will be accepted by the Company on a proportionate basis. The ratio computed for over-tendered Equity Shares will be computed separately for the Reserved Category and the General Category.

#### **19.12. Clubbing of Entitlement**

In order to ensure that the same shareholders with multiple demat accounts/ folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General) and entitlement under the Buyback. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies, etc. with a common PAN will not be clubbed together for determining the category and will be considered separately where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

## **20. PROCEDURE FOR TENDERING SHARES AND SETTLEMENT**

- 20.1.** The Buy-Back is open to all Eligible Shareholders of the Company holding Equity Shares on the record date.
- 20.2.** The Company proposes to effect the Buy-Back through Tender Offer route, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buy-Back Offer as well as the detailed disclosures as specified in the Buy-Back Regulations, will be mailed/ dispatched to Eligible Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.
- 20.3.** The Eligible Shareholder(s) who have registered their email ids with the Depositories / the Company shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholder(s) who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned on the cover page of the Letter of Offer by stating such Eligible Shareholder's name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. The Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company shall be dispatched the Letter of Offer through physical mode by registered post/ speed post/ courier.
- 20.4.** The Company will not accept any Equity Shares offered for Buy-Back where there exists any restraint order of a Court for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.5.** The Company shall comply with Regulation 24(v) of the Buy-Back Regulations which states that the Company shall not Buy-Back the locked-in Equity Shares and non-transferrable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferrable.
- 20.6.** Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or Buyback Committee authorized by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- 20.7.** Shareholders' participation in the Buy-Back will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buy-Back or they may choose not to participate and enjoy a resultant increase in their shareholding percentage, post Buy-Back, as a result of the decrease in the paid-up Equity Share Capital, without additional investment. Shareholders may also accept a part of their Buy-Back entitlement. Shareholders also have the option of tendering additional Equity Shares (over and above their Buy-Back Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Equity Shares tendered in excess of the Buy-Back Entitlement by the Shareholder shall be in terms of procedure outlined in Paragraph 19 of this Draft Letter of Offer.
- 20.8.** The maximum tender under the Buy-Back by any Shareholder cannot exceed the number of Equity Shares held by the Shareholder as on the Record Date.
- 20.9.** The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- 20.10.** As elaborated under Paragraph 19 above, the Equity Shares proposed to be bought as a part of the Buyback are divided into two categories: (a) Reserved Category for Small Shareholders and (b) the General Category for all other Eligible Shareholders. The Buyback Entitlement of Eligible Shareholders in each category shall be calculated accordingly.
- 20.11.** Post acceptance of the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be Accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in other category.
- 20.12.** The Buy-Back shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI circulars and the procedure prescribed in the BSE Notice, in compliance with the Companies Act and the Buy-Back Regulations and as may be determined by the Board (including the Committee authorized to complete the formalities of the Buy-Back) and on such terms and conditions as may be permitted by law from time to time.

- 20.13.** For implementation of the Buy-Back, the Company has appointed Emkay Global Financial Services Limited as the registered broker to the Company (“**Buying Broker**”) through whom the purchases and settlements on account of the Buy-Back would be made by the Company. The contact details of the Buying Broker are as follows:

**Emkay Global Financial Services Limited**

**Address:** 7th Floor, The Ruby,

Senapati Bapat Marg,

Dadar - West,

Mumbai - 400 028.

Maharashtra, India.

**Tel:** +91 22 6612 1212

**Email:** dhanuka.buyback@emkayglobal.com

**Website:** <https://www.emkayglobal.com/>

**SEBI Registration No.** INZ000203933

- 20.14.** The Company will request BSE Limited to provide the separate acquisition window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. BSE would be the designated stock exchange for the Buyback (“**Designated Stock Exchange**”). The details of the platform will be specified by BSE from time to time. In case Eligible Shareholders’ Stock Broker is not registered with BSE, Eligible Shareholders may choose to approach Company’s Broker to place its bid.

- 20.15.** All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“**Seller Member(s)**”).

- 20.16.** In the event Seller Member(s) are not registered with the Designated Stock Exchange or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the Designated Stock Exchange and can make a bid by using quick unique client code (“UCC”) facility through that stock broker registered with the Designated Stock Exchange after submitting the details as may be required by the stock broker to be in compliance with the Buyback Regulations. In case Eligible Shareholders is not able to bid using quick UCC facility through any other stock broker registered with the Designated Stock Exchange, then the Eligible Shareholders may approach Company’s Broker, to bid by using quick UCC facility after submitting requisite documents.

Eligible Shareholders approaching a stock broker registered with BSE (with whom they do not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.

- 20.17.** All Eligible Shareholders, through their respective Seller Member will be eligible and responsible to place orders in the acquisition window. All Eligible Shareholders can enter orders for Equity Shares in demat form.

- 20.18.** During the Tendering Period, the order for selling the Equity Shares will be placed in the acquisition window by Eligible Shareholders through their respective Seller Members during normal trading hours of the secondary market.

- 20.19.** Modification/ cancellation of orders and multiple bids from a single Shareholder will be allowed during the Tendering Period of the Buy-Back Offer. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance. An order can be cancelled or modified by an Eligible Shareholder who has tendered his Equity Shares during the Tendering Period by contacting his Seller Member through whom the initial bid was placed by providing a request for modification/cancellation via his registered email address or registered telephone number or by visiting the Seller Member’s branch and submitting a written request.

- 20.20.** The cumulative quantity tendered shall be made available on Designated Stock Exchange - BSE website, [www.bseindia.com](http://www.bseindia.com), throughout the trading session and will be updated at specific intervals during the Tendering Period.

- 20.21.** All documents sent by the Eligible Shareholder(s) will be at their own risk. Eligible Shareholder(s) are advised to safeguard adequately their interests in this regard.

**20.22. Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form**

- i. Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buy-Back would have to do so through their respective Seller Members by indicating to their brokers the details of Equity Shares they intend to tender under the Buy-Back.
- ii. The Seller Member will be required to place a bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buy-Back using the Acquisition Window. Before placing the bid, the Eligible Shareholder will need to

transfer the tendered Equity Shares to Indian Clearing Corporation Limited (“**Clearing Corporation**”) by using the settlement number through the early pay-in mechanism as prescribed by the Depositories. This shall be validated at the time of order/bid entry.

- iii. The details of the settlement number for the Buy-Back will be provided in a separate circular which will be issued at the time of issue opening by the Clearing Corporation.
- iv. For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification by the Seller Member shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- v. Upon placing the bid, the Seller Member shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the Shareholder. TRS will contain the details order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- vi. Eligible Shareholders who have tendered their Equity Shares in the Buyback can hand deliver Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) in same order in which they hold the Equity Shares, along with (i) the TRS generated by the exchange bidding system at the Office of the Registrar to the Buyback Offer. TRS will be generated by the respective Shareholder Broker. Shareholders who cannot hand deliver the Tender Form and other documents at the Office of the Registrar to the Buyback Offer, may send the same by registered post/ speed post / courier, at their own risk, superscribing the envelope as “Dhanuka Agritech Limited Buy-Back 2018”, to the Registrar to the Buyback Offer at their office mentioned on the cover page of this DLOF, so that the same are received not later than 2 (two) days from the Closing Date i.e. [●], 2019 (by 5 PM)
- vii. All the Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
  - a. Duly attested power of attorney, if any person other than the Eligible Shareholder(s) has signed the Tender Form;
  - b. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
  - c. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- viii. In case of non-receipt of the completed Tender Form and other documents, but receipt of Equity Shares in the special account of the clearing corporation and a valid bid in the exchange bidding system, the Buy-Back shall be deemed to have been accepted, for demat Shareholders.
- ix. The Eligible 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 prorated Buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the savings bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- x. The details of the account opened with DP as given below in to which the Equity Shares tendered are to be transferred by Clearing Corporation post settlement of the Buy-Back:

DP ID	12023000
DP Name	Emkay Global Financial Services Limited
Beneficiary Client ID	01213474
Client Account Name	DHANUKA AGRITECH LIMITED BUYBACK 2018-19

The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.

**20.23. Procedure to be followed by Eligible Shareholders holding Equity Shares in the Physical form**

- a) All Equity Shareholders holding the Physical Shares shall note that in accordance with the proviso to regulation 40(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press release dated December 3, 2018 ("LODR Amendment"), transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. In case the applicable law restricts the buyback of Equity Shares held in physical form, the Company may not be able to accept the tender of such Equity Shares held in physical form from April 1, 2019.

- b) In the Buyback, considering the timelines of activities prescribed under the Buyback Regulations, the Buyback Closing Date and the acceptance of tendered shares (among other activities related to the Buyback) is expected to be undertaken before April 1, 2019. However, in case, the expected timeline extended due to any reason, unless otherwise permitted/ exempted by SEBI, tendering of Shares in the Buy-Back on or after April 1, 2019 shall be available only on Demat Form.

The procedure for tendering to be followed by Eligible Shareholders holding Equity Shares in the physical form is as detailed below, subject to any modifications to the procedure as may be provided under the LODR Regulations or any other applicable laws.

- c) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Members along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s), (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iii) self-attested copy of the Eligible Shareholder's PAN Card, (iv) the Tender Form duly signed (in case the Equity Shares are in joint names, the Tender Form must be signed by all Eligible Shareholders in the same order in which they hold the Equity Shares), and (v) any other relevant documents 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 an Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, such Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- d) Based on the documents mentioned in Paragraph 20.23(c) above, the concerned Seller Member shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Buyback using the acquisition window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the Stock Exchanges' bidding system to the Eligible Shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- e) After placing the Bid, the Seller Member of the Eligible Shareholder has to deliver the original share certificate(s) and documents (as mentioned in Paragraph 20.23(c) above along with TRS either by registered post or courier or hand delivery to the Registrar (at the address mentioned at Paragraph 18 above not later than 2 (two) days from the Buyback Closing Date, by [●]day, [●] by 5:00 p.m. The envelope should be super scribed as "**Dhanuka Agritech Limited Buyback Offer 2018**". One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Seller Member/ Eligible Shareholder.
- f) Eligible Shareholder holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for the Buyback shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, it will be treated as 'confirmed bids'.
- g) All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Tender Form instead of the Equity Share certificate(s) of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate(s); (iv) In case the signature on the Tender Form and Form SH-4 does not match as per the specimen signature recorded with Company/Registrar and Transfer Agent of the Company.
- h) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

**20.24.** For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with Paragraph 17 “Details of the Statutory Approvals”):

- a) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- b) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall obtain and enclose a letter from its authorised dealer / bank confirming that at the time of acquiring such Equity Shares, payment for the same was made by the non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Seller is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Seller shall submit a consent letter addressed to the Company, allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity shares accepted under the Buyback.
- c) If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback are liable to be rejected.

**THE NON RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY.**

**20.25. In case of non-receipt of this Letter of Offer:**

- i. **In case the Equity Shares are in dematerialised form:** If any Eligible Shareholder who has been sent the Letter of Offer through electronic means wishes to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number. Upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Offer by downloading the Tender Form from the website of the Company i.e. [www.dhanuka.com](http://www.dhanuka.com) or by providing their application in writing on plain paper, signed by all Eligible Shareholders, stating name and address of Shareholder(s), number of Equity Shares held as on the Record Date, PAN, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buy-Back.
- ii. **In case the Equity Shares are in physical form:** An Eligible Shareholder may participate in the Offer by providing their application in writing on plain paper signed by all Eligible Shareholders stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buy-Back Offer and the distinctive numbers thereof, enclosing the original share certificate(s), copy of Eligible Shareholders' PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned above), reach the collection centres not later than 2 (two) days from the Closing Date i.e. [●], 2018 (by 5 P.M.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Buy-Back Offer.

**Please note that Eligible Shareholder(s) who intend to participate in the Buy-Back will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by [●] before the Closing Date.**

**The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buy-Back on the basis of their shareholding as on the Record Date and the Buy-Back Entitlement. Eligible Shareholder(s) who intend to participate in the Buy-Back using the, plain paper option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buy-Back Offer, before participating in the Buy-Back.**

**20.26.** Non-receipt of the Letter of Offer by, or accidental omission to dispatch the Letter of Offer to any Eligible Shareholder, shall not invalidate the Buy-Back Offer in any way.

**20.27.** The acceptance of the Buy-Back Offer made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buy-Back Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

**20.28.** Depositories are required to provide information to the Clearing Corporation about the shareholder on whose behalf the Seller Member has placed a sell order. This information shall include investor PAN, beneficiary account details and bank details including IFSC code.

**20.29. Method of Settlement**

Upon finalization of the basis of acceptance as per Buy-Back Regulations:

1. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time and in compliance with the SEBI Circular.
2. The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For demat Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, such funds will be transferred to the concerned Seller Members' settlement bank account for onward transfer to such Eligible Shareholders holding Equity Shares in dematerialized form.
3. In case of certain client types viz. Non-Resident Shareholders. (where there may be specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas amount payable to the Eligible Shareholder pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the BSE and the Clearing Corporation from time to time.
4. For the Eligible Shareholders holding Equity Shares in physical form, the funds payout would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
5. The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buyback ("Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
6. The Eligible 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 shares under the Buyback.
7. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders would be returned to them by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, excess demat Shares or unaccepted demat Shares, if any, will be returned to the respective custodian participant. The Seller Members would return these unaccepted Equity Shares to their respective clients on whose behalf the bids have been placed.
8. Any excess physical Equity Shares pursuant to proportionate acceptance/rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
9. The Company's Broker would also issue a contract note to the Company for the Equity Shares Accepted under the Buyback. If Eligible Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Shareholder.
10. Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Members for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Member upon the Eligible Shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders from their respective Seller Members, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Manager and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

11. The Equity Shares lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Regulations.

### **20.30. Rejection Criteria**

The Equity Shares tendered by Eligible Shareholders will be liable to be rejected on the following grounds:

➤ **For Eligible Shareholders holding Equity Shares in the dematerialized form if:**

- a) The Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b) If there is a name mismatch in the dematerialised account of the Shareholder and PAN

➤ **For Eligible Shareholders holding Equity Shares in the physical form if:**

- a) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] by 5:00 p.m. Indian Standard Time;
- b) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.
- f) Where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

### **21. NOTE ON TAXATION**

**THE SUMMARY OF THE INCOME-TAX CONSIDERATION IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. IN VIEW OF THE PARTICULARISED NATURE OF 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 COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF BUYBACK OF LISTED EQUITY SHARES ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

#### **1. GENERAL**

- a. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1<sup>st</sup> until March 31<sup>st</sup>. A person who is an Indian tax resident is liable to taxation in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income-Tax Act, 1961 (The IT Act).
- b. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or is deemed to accrue or arise in India) and income 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. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- c. Accordingly, since the company is incorporated in India, the 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. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”) between India and the respective jurisdiction of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the IT Act.

- d. The IT Act also provides for different income-tax regimes/rates applicable to the gains arising on the buyback of shares, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. The summary of income-tax implications on buyback of listed equity shares on the Recognized Stock Exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

## 2. CLASSIFICATION OF SHAREHOLDERS

Based on the provisions of the IT Act, shareholders can be classified under the following categories:

### ➤ Resident Shareholders being:

- ✓ Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- ✓ Others

### ➤ Non Resident Shareholders being:

- ✓ Non Resident Indians (NRIs)
- ✓ Foreign Portfolio Investors (FPIs)
- ✓ Foreign Companies
- ✓ Others

## 3. CLASSIFICATION OF INCOME

- i. Shares can be classified under the following two categories:
  - a) **Shares held as investment** (Profits or Gains arising from transfer taxable under the heading "Capital Gains")
  - b) **Shares held as stock-in-trade** (Profits or Gains arising from transfer taxable under the heading "Profits and Gains from Business or Profession")
- ii. Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Traditionally, the issue of characterization of income arising from sale of shares has been a subject matter of litigation with the tax authorities. There have been various judicial pronouncements on whether gains from transactions in securities should be taxed as "business profits" or as "capital gains". However, these pronouncements, while laying down certain guiding principles have largely been driven by the facts and circumstances of each case. Central Board of Direct Taxes (CBDT), the apex body of Income-tax has issued **Circular No. 6 of 2016** wherein it was clarified that if the taxpayer opts to consider the shares as stock-in-trade, the income arising from the transfer of such shares would be treated as its business income. Also, if such shares are held for a period of more than 12 months and if the taxpayer desires to treat the income arising from the transfer thereof as "capital gains", the same shall not be disputed by the income-tax authorities provided such stand is consistently followed by the taxpayer in subsequent years.
- iii. Further, investments by FPIs in any securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be treated as a capital asset under the provisions of the IT Act.

## 4. SHARES HELD AS INVESTMENT

- a. As per the provisions of the Income Tax Act, where the shares are held as investments, income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains on buyback of shares are governed by the provisions of section 46A of the Income Tax Act and would attract capital gains in the hands of shareholders as per provisions of section 48 of the Income Tax Act. The provisions of Income Tax Act related to buy back of shares under section 115QA in Chapter XII-DA of the Income Tax Act do not apply to shares listed on the stock exchange.

### 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. In respect of equity shares which are listed on a recognised Stock Exchange held for a period less than or equal to 12 months prior to the date of transfer, the same shall be treated as a 'short-term capital asset', and the gains arising therefrom shall be taxable as 'short term capital gains' ("STCG"). Similarly, where equity shares listed are on a recognised stock exchange and are held for a period more than 12 months prior to the date of transfer, the same shall be treated as a 'long-term capital asset', and the gains arising therefrom shall be taxable as 'long-term capital gains' ("LTCG").

## **5. BUYBACK OF SHARES THROUGH A RECOGNIZED STOCK EXCHANGE**

a. Where transaction for transfer of such equity shares (i.e. buyback) is executed through a recognized stock exchange, they are liable to Securities Transaction Tax ('STT'). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

b. The taxability of buyback proceeds in the hands of the eligible shareholder would be as under:

✚ *As per the provisions of the Income Tax Act as amended by the Finance Act, 2018, the exemption to LTCG provided u/s. 10(38) of Income Tax Act has been withdrawn and tax is levied on LTCG exceeding Rupees 1.00 Lakh in a financial year arising on transfer of listed equity shares @ 10% without allowing the benefit of indexation.*

✚ *However, gains accrued on such equity shares till 31st January, 2018 have been exempted by providing that the cost of acquisition in respect of such equity shares which would be transferred on or after 1st April, 2018 shall be higher of*

i. *the actual cost of acquisition of such equity shares acquired before 1st February, 2018, or*

ii. *the lower of the following:*

a) *the highest price of such equity shares quoted on the recognised stock exchange on the 31st January, 2018; and*

b) *the actual sale value of such equity shares.*

✚ *However, as per a draft notification issued on 24th April, 2018, an exemption from the requirement of STT being paid at the time of acquisition of shares, is sought to be provided to certain modes of acquisition including acquisition of shares by a non-resident under the FDI policy and acquisition of unlisted shares subsequently listed on the stock exchange. Once such exceptions are notified, if acquisition is made in such specified modes, the rates specified above shall continue to apply, even if no STT was paid at the time of acquisition of the shares.*

✚ *If STT is not paid at the time of acquisition of the shares being bought back, entire LTCG arising to the shareholder shall be subject to tax @ 10% under Section 112 of the IT Act (or 20% after claiming indexation benefit which is relevant in case of resident shareholders).*

✚ *STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income Tax Act, without any restriction on the mode of acquisition.*

✚ *Amount of LTCG and STCG arising to resident corporate shareholders would also be included for purpose of computing Minimum Alternate Tax (MAT) under section 115JB of the Income Tax Act at the rate of 18.50%. Such MAT however would be available for offset against taxes payable by such corporate shareholders under normal tax provisions (subject to conditions). In addition to the Tax, Surcharge, Health and Education Cess are leviable (Please refer to Note 8 for rate of surcharge and cess).*

✚ *In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG taxable under section 111A of the Income Tax Act. In addition to the above STCG tax, Surcharge, Health and Education Cess are leviable (Please refer to Note 8 for rate of surcharge and cess).*

✚ *Non-resident shareholders can avail beneficial provisions of the applicable Double Taxation Avoidance Agreement ('DTAA') entered into by India with relevant country in which the shareholder is resident but subject to fulfilling relevant conditions and submitting/maintaining necessary documents prescribed under the Income Tax Act.*

- c. As an overall point, since the buyback is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax (“STT”). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the transaction value separately in the hands of the Seller and the Company.

## **6. SHARES HELD AS STOCK-IN-TRADE**

- a. If the shares are held as stock-in-trade by any of the shareholders of the Company, then the gains would be characterized as business income and taxable under the head “Profits and Gains from Business or Profession”. In such a case, the provisions of Income Tax Act regarding taxability of proceeds of buyback in hands of shareholders as mentioned under Note 5(b) above would not apply.

### **b. RESIDENT SHAREHOLDERS**

- ✓ For Individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
- ✓ Domestic Company having turnover or gross receipts not exceeding INR 250 crore of the previous year 2016-17 would be taxable @ 25%.
- ✓ For persons other than stated in (a) & (b) above, profits would be taxable @ 30%.
  
- ✓ In addition to the above, Surcharge, Health and Education Cess are leviable (Please refer to Note 8 for rate of surcharge and cess).
  
- ✓ No benefit of indexation by virtue of period of holding would be available in any case.

### **c. NON RESIDENT SHAREHOLDERS**

✚ Non-resident shareholders can avail beneficial provisions of the applicable Double Taxation Avoidance Agreement (‘DTAA’) entered into by India with relevant country to which shareholder belongs but subject to fulfilling relevant conditions and submitting/ maintaining necessary documents prescribed under the Income Tax Act.

✚ Where DTAA provisions are not applicable:

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

In addition to the above, Surcharge, Education Cess and Secondary and Higher Education Cess are leviable (Please refer to Note 8 for rate of surcharge and cess).

## **7. TAX DEDUCTED AT SOURCE (TDS)**

### **a. In case of Resident Shareholders**

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

### **b. In case of Non-resident Shareholders**

Since the buy-back is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder. It is therefore recommended that non-resident shareholder may consult their custodians/authorized dealers/tax advisors appropriately to compute gains (if any) and immediately pay taxes in India (either through deduction at source or otherwise) in consultation with their custodians/ authorized dealers/ tax advisors appropriately. The non-resident shareholders need to undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to the non-resident shareholders on buyback of Equity Shares by the Company. The non-resident shareholders also to provide undertaking to the Company, to provide on demand, the relevant details in respect of the taxability/non-taxability of the proceeds arising on buyback of Equity Shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.

## 8. RATE OF SURCHARGE AND CESS

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

### a. Surcharge

- ✓ **In case of domestic companies:** Surcharge @ 12% is leviable where the total income exceeds Rupees 10 crores and @ 7% where the total income exceeds Rupees 1 crore but upto Rupees 10 crores.
- ✓ **In case of companies other than domestic companies:** Surcharge @ 5% is leviable where the total income exceeds Rupees 10 crores and @ 2% where the total income exceeds Rupees 1 crore but upto Rupees.10 crores.
- ✓ **In case of Individuals, Hindu Undivided family, Association of Persons, and Body of Individuals:** Surcharge @15% is leviable where the total income exceeds Rupees 1 crore and @ 10% where the total income exceeds Rupees 50 Lakhs but less than Rs.1 crore.
- ✓ **In case of, Co-operative Societies or Local Authorities:** Surcharge @12% is leviable if income exceeds Rupees 1 crore.
- ✓ **In case of Firms:** Surcharge @12% is leviable if income exceeds Rupees 1 crore.

### b. Cess

- ✓ Health and education cess @ 4% is leviable on all income taxes and surcharge, as applicable.

## 9. GENERAL

The above note on taxation sets out the provisions of law in a summarised manner only and is not a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein. Hence, shareholders should consult their own tax advisors for the tax provisions applicable to their particular circumstances. The tax rate and other provisions may undergo changes. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The company does not accept any responsibility for the accuracy or otherwise of such advice.

## 22. DECLARATION BY THE BOARD OF DIRECTORS

### **Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:**

- 22.1 The Board of Directors of the Company hereby confirms that there are no defaults subsisting in the repayment of deposits, interest payment thereon, redemption of debentures or interest payment thereon or redemption of preference shares or payment of dividend due to any shareholder, or repayment of any term loans or interest payable thereon to any financial institution or banking company.
- 22.2 The Board of the Directors confirms that it has made a full enquiry into the affairs and prospects of the Company and after taking into account the financial position of the Company and also considering all contingent liabilities, the Board has formed an opinion:
- a. That immediately following the date of the Board Meeting held on November 14, 2018 and the date of passing the shareholder's resolution approving the proposed Buy-Back, there will be no grounds on which the Company can be found unable to pay its debts;
  - b. That as regards the Company's prospects for the year immediately following the date of the Board Meeting held on November 14, 2018 as well as the year immediately following the date of passing of the shareholders' resolution approving the proposed Buy-Back, and having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from date of the Board meeting approving the Buy-Back held on November 14, 2018, as also from the date of the shareholders' resolution approving the proposed Buy-Back;
  - c. That in forming their opinion for the above purpose, the Board has taken into account the liabilities as if Company is being wound up under the provisions of the Companies Act, 1956 or Companies Act, 2013 or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on November 14, 2018.

For and on behalf of the Board of Directors

**Sd/-**  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 0628039

**Sd/-**  
**Rahul Dhanuka**  
Whole Time Director  
DIN: 00150140

### **23. AUDITOR'S CERTIFICATE**

The text of the report dated November 14, 2018 received from M/s S. S. Kothari Mehta & Co., Chartered Accountants, the Statutory Auditors of the Company, addressed to the Board of Directors is reproduced below:

#### **“Independent Auditor’s Report on Buy-Back of shares pursuant to the requirement of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018**

**The Board of Directors**  
**Dhanuka Agritech Limited**  
82, Abhinash Mansion, 1st Floor, Joshi Road  
Karol Bagh, New Delhi-110005

Dear Sir/Madam,

**Sub: Statutory Auditor's Report in respect of proposed buyback of equity shares by Dhanuka Agritech Limited (the “Company”) in terms of the clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018 (“Buyback Regulations”).**

1. This Report is issued in accordance with the terms of our service scope letter engagement dated November 1, 2018 with Dhanuka Agritech Ltd.
2. The Board of Directors of the Company have approved a proposal for buyback of Equity Shares by the Company at its meeting held on November 14, 2018, which is subject to approval of shareholders of the Company, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 (the “Act”) and the Buyback Regulations. We have been requested by the management of the Company to provide a report on the accompanying statement of permissible capital payment (including premium) ('Annexure A') as at March 31, 2018 (hereinafter referred to as the “statement”). This statement has been prepared by the management, which we have initialled for the purpose of identification only.

#### **Management Responsibility**

3. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Board of directors is responsible to make full inquiry into the affairs and prospects of the Company and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of passing the board resolution and from the date on which the results of the shareholders resolutions with regard to proposed Buy-back are declared.

#### **Auditor's Responsibility**

5. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance on the following “Reporting Criteria”:
  - i. whether we have inquired into the state of affairs of the Company in relation to the audited standalone financial statements as at March 31, 2018;
  - ii. whether the amount of permissible capital payment as stated in Annexure A, has been properly determined considering the audited standalone financial statements as at March 31, 2018 in accordance with Section 68(2) of the Companies Act, 2013;

- iii. whether the Board of Directors of the Company, in their meeting held on November 14, 2018 have formed the opinion as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid Board meeting date and from date on which the results of the shareholders' resolutions with regard to the proposed buyback are declared; and
  - iv. whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned therein is unreasonable in the circumstances as at the date of the declaration.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria mentioned in paragraph 5 above. The procedures selected depend on the auditor's judgment, including an assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
    - i. inquired into the state of affairs of the Company in relation to its audited standalone financial statements for the year ended March 31, 2018.
    - ii. examined the authorization for Buy-Back as per the Articles of Association of the Company;
    - iii. examined that the amount of capital payment for the Buy-Back, as detailed in Annexure A to this report, is within the permissible limits computed in accordance with Section 68 of the Act;
    - iv. examined that the ratio of debt owned by the Company, if any, is not more than twice the paid-up capital and free reserves after such Buy-Back;
    - v. examined that all shares for Buy-Back are fully paid-up;
    - vi. examined resolutions passed in the meetings of the Board of Directors in this regard;
    - vii. examined the Director's declarations for the purpose of Buy-Back and solvency of the Company;
    - viii. examined the necessary documents to ensure that the current Buy-Back is made after the expiry of one year from the closure of last Buy-Back period;
    - ix. obtained necessary representations from the management of the Company.
  7. The standalone financial statements for the year ended March 31, 2018, referred to in paragraph 5 above, have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN : 016923N) ("Predecessor Auditors"), on which they have issued an unmodified audit opinion vide their report dated 22 May, 2018. As per the said report, the audit of the financial statements for the year ended March 31, 2018 was conducted in accordance with the Standards on Auditing, as specified under Section 143 of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
  8. We have conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
  9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion:**

10. We have relied upon the audited standalone financial statements for the year ended 31st March, 2018, which have been audited by M/s Ambani & Associates LLP, Chartered Accountants (FRN: 016923N) ("Predecessor Auditor") and based on our examination as above, and the information and explanation given to us, we state that we have inquired into the state of affairs of the Company and in our opinion:
  - (i) The permissible capital payment towards buyback of equity shares, as stated in the statement (Annexure A), is in our view properly determined in accordance with Section 68 of the Act; and
  - (ii) The Board of Directors, in their meeting held on November 14, 2018 have formed the opinion, as specified in clause (x) of Schedule I of the Regulations, on reasonable ground, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from November 14, 2018, and from date on which the results of the shareholders' resolutions with regard to the proposed buyback are declared and we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

**Restriction on Use**

11. The certificate is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Act and Regulations solely to enable them to include it (a) in the explanatory statement to be included in the postal ballot notice to be circulated to the shareholders, (b) in the public announcement to be made to the Shareholders of the Company, (c) in the draft letter of offer and letter of offer to be filed with the Securities and Exchange Board of India,

the stock exchanges, the Registrar of Companies as required by the Regulations, the National Securities Depository Limited and the Central Depository Securities (India) Limited, and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For S.S Kothari Mehta & Co.**  
Chartered Accountants  
**Firm Registration Number: 000756N**  
Sd/-  
**Yogesh K Gupta**  
Partner  
Membership No.: 093214

Place: Gurugram  
Date: 14<sup>th</sup> November, 2018

**Annexure A - Statement of permissible capital payment of Dhanuka Agritech Limited**

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 ("the Act") based on audited standalone financial statements as at and for the year ended March 31, 2018:

Particulars		Amount (Rs. in Lacs)
		Standalone
Paid-up Equity Share capital as at 31 March 2018 (4,90,78,324 equity shares of Rs.2/- each fully paid-up)#	(A)	981.57
<b>Free reserves as at March 31, 2018*#</b>		
General reserve	(B)	2455.03
Retained earnings	(C)	59784.99
Less adjustments:		
Fair valuation of investments, classified as fair value through profit and loss		539.10
Unrealised gains on restatement on foreign currency assets & liabilities		10.00
Tax impact of above adjustments @ 34.608%		(190.04)
Total adjustments	(D)	359.06
<b>Net free reserves (B)+(C)-(D)</b>	<b>(E)</b>	<b>61880.96</b>
<b>Total Paid-up equity capital and free reserves as at March 31, 2018 (A+E)</b>		<b>62862.53</b>
Permissible capital payment in accordance with Proviso to Section 68(2)(c) of the Companies Act, 2013 (25% of the total paid-up equity capital and free reserves)\$		15715.63
Permissible capital payment for Buyback through method specified in 4(iv)(b), read with proviso to Regulation 4(iv) of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (14.99% of total paid-up Equity capital and free reserves)		9423.09
Permissible capital payment in accordance with proviso to Section 68(2)(b) of the Act requiring Board Resolution (10% of total paid-up Equity Share capital and free reserves)		6286.25

\* Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Act.

# The above calculation of the paid-up Equity Share Capital and Free Reserves as at March 31, 2018 for Buyback of equity shares is based on the amounts appearing in the audited standalone financial statements of the Company for the year ended March 31, 2018. These financial statements of the Company are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

\$ Proposed capital payment restricted to 25% of the total paid-up equity capital and free reserves

For and on behalf of **Dhanuka Agritech Limited**

**Sd/-**  
**Mahendra Kumar Dhanuka**  
Managing Director  
DIN: 0628039

**Sd/-**  
**Vinod Kumar Bansal**  
Chief Financial Officer

Date : November 14, 2018  
Place : Gurugram

#### **24. DOCUMENTS FOR INSPECTION**

Copies of the following documents are available for inspection at the Corporate Office of the Company at 14th Floor, Building No. 5 Tower 'A', DLF Phase-III, Cyber City Gurgaon-122002, from 10:00 a.m. to 5:00 p.m. on any day, except Saturdays, Sundays and public holidays, during the Tendering Period.

- i. Certificate of Incorporation of the Company;
- ii. Memorandum and Articles of Association of the Company;
- iii. Annual reports of the Company for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016;
- iv. Certified copy of the Resolution passed by the Board of Directors at the meeting held on November 14, 2018, approving proposal for Buy-Back;
- v. Postal Ballot Notice to the Equity Shareholders dated November 14, 2018, along with Explanatory Statement;
- vi. Certified copy of the Special resolution passed by the Equity Shareholders of the Company by Postal Ballot, the results of which were announced on December 20, 2018;
- vii. Certified copy of the Resolution passed by the Committee of Buy-Back at the meeting held on December 20, 2018, approving the final Buy-Back Price
- viii. Declaration of Solvency and an affidavit in form SH-9 as prescribed under Section 68(6) of the Act;
- ix. Copy of Certificate dated November 14, 2018 received from M/s S. S. Kothari Mehta & Co., the Statutory Auditors of the Company, in terms of clause (xi) to Schedule I of the Buy-Back Regulations;
- x. Escrow Agreement dated December 17, 2018 between Dhanuka Agritech Limited, HDFC Bank Limited and Emkay Global financial Services Limited;
- xi. Certificate from M/s. S. S. Kothari Mehta & Co., Chartered Accountant dated December 20, 2018 certifying that the Company has adequate funds arrangement to fulfill the obligations under the Buy-Back in accordance with the Buy-Back regulations;
- xii. Public Announcement dated December 20, 2018 published in the newspapers on December 21, 2018 regarding Buy-Back of Equity Shares;
- xiii. Certificate from M/s. S. B. Nagar & Associates, Chartered Accountant dated December 14, 2018 regarding to treatment of income tax in case of Buy-Back of Shares;
- xiv. SEBI comments dated vide observation letter no. [●] dated [●].

#### **25. COMPLIANCE OFFICER**

Ms. Jyoti Verma, Company Secretary  
**Dhanuka Agritech Limited**  
Corporate Office: 14th Floor, DLF Building No.5 Tower 'A', DLF Phase-III, Dlf Cyber City Gurgaon-122002  
Tel. No.: 0124-3838592,658  
Email: investors@dhanuka.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during office hour's i.e.10:00 a.m. till 5:00 p.m. on all working days except Saturdays, Sundays and Public holidays.

#### **26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS / BENEFICIAL OWNERS**

- c. In case of any grievances relating to the Buy-Back (i.e. non-receipt of the Buy-Back consideration, Share certificate, demat credit, etc.) the investor can approach the Compliance Officer and/or Manager to the Buy-Back and/or Registrar to the Buy-Back for redressal.
- d. If the Company makes any default in complying with the provisions of Sections 68, 69 or 70 of the Act or any rules made thereunder, or any regulation or under clause (f) of sub-section (2) of Section 68 of the Act, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Act.



- e. The address of the concerned office of the Registrar of Companies is as follows:

Registrar of Companies  
NCT of Delhi & Haryana  
4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019  
Phone: 011-26235703, 26235708  
Fax: 011-26235702  
Email: [roc.delhi@mca.gov.in](mailto:roc.delhi@mca.gov.in)

## 27. INVESTOR SERVICE CENTRES

In case of any query, the shareholders may contact the Registrar & Share Transfer Agent on any day except Saturdays, Sundays and Public holidays between 10:00 AM till 5.00 PM at the following address:



**ABHIPRA CAPITAL LIMITED**  
Contact Person: Mr. Jeewat Rai/ Mr. Dinesh K Agarwal  
**Corporate Office:** Abhipra Complex, A-387, Dilkhush Indl. Area, G.T. Karnal Road, Azadpur, New Delhi- 110033  
Tel No.: 011-42390783  
Fax No.: 011-42390930  
Email id.: [rta@abhipra.com](mailto:rta@abhipra.com)  
Website: [www.abhipra.com](http://www.abhipra.com)  
SEBI Regn. No.: INR000003829  
Validity Period: Permanent

## 28. MANAGER TO THE BUY-BACK OFFER

The Company has appointed Emkay Global Financial Services Limited as Manager to the Buyback. Their contact details are as under



**EMKAY GLOBAL FINANCIAL SERVICES LIMITED**  
Contact Person: Mr. Deepak Yadav/ Mr. Chirag Dave  
**Regd. Off.:** 7th Floor, The Ruby, Senapati Bapat Marg, Dadar-West, Mumbai-400028, Maharashtra  
**Tel. No.:** +91 22 66121212  
**Fax No.:** +91 22 66121355  
**Email id:** [dhanuka.buyback@emkayglobal.com](mailto:dhanuka.buyback@emkayglobal.com)  
**Website:** [www.emkayglobal.com](http://www.emkayglobal.com)  
**SEBI Regn. No.:** INM000011229  
**Validity Period :** Permanent

## 29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 24(i)(a) of the Buy-Back Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer or any other information, advertisement, circular, brochure, publicity material which may be issued in regard to the Buyback and confirms that such documents contains true, factual and material information and does not contain any misleading information.

The Draft Letter of Offer is issued under the authority of the Board of Directors (through a resolution passed by the Board of Directors in its meeting held on November 14, 2018) by the Buy-Back Committee through a resolution passed by the Buy-Back Committee meeting held on December 20, 2018.

**For and on behalf of the Board of Directors of  
Dhanuka Agritech Limited**

**Sd/-**  
**(Mahendra Kumar Dhanuka)**  
Managing Director  
DIN: 00628039

**Sd/-**  
**(Rahul Dhanuka)**  
Whole Time Director  
DIN: 00150140

**Sd/-**  
**Jyoti Verma**  
Company Secretary  
Membership No.: FCS-7210

**Date: December 24, 2018**

**Place: Gurugram**

**ENCL: TENDER FORMS**

- Tender Form (for Eligible Shareholders holding Equity Shares in dematerialised form).
- Tender Form (for Eligible Shareholders holding Equity Shares in physical form) with Form No. SH-4 – Securities Transfer Form.

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)**

Bid Number:  
Date :

BUY-BACK OPENS ON	[●]
BUY-BACK CLOSES ON	[●]
<b>For Registrar/ Collection Centre use</b>	
<b>Inward No.</b>	<b>Date</b>
	<b>Stamp</b>
<b>Status (please tick appropriate box)</b>	
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/ LLP
	<input type="checkbox"/> Insurance Co
	<input type="checkbox"/> FVCI
	<input type="checkbox"/> Pension/PF
	<input type="checkbox"/> Others (Specify)
<b>India Tax Residency Status: Please tick appropriate box</b>	
<input type="checkbox"/> Resident of India	<input type="checkbox"/> Non-Resident in India
	<input type="checkbox"/> Resident of (shareholder to fill country of residence)
<b>Route of Investment (For NR Shareholders only): Please tick appropriate box</b>	
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/> Foreign Investment Scheme

To,  
**Dhanuka Agritech Limited,**  
C/o Abhipra Capital Limited,  
Abhipra Complex, A-387, Dilkhush Industrial Area,  
G.T. Karnal Road, Azadpur, New Delhi-110033

Dear Sir(s),

**Sub: Letter of Offer dated [●] , 2019 ("Letter of Offer") for Buy-Back of upto 15,00,000 (Fifteen Lakhs) fully paid-up Equity Shares of Rs. 2/- (Rupees Two Only) each of Dhanuka Agritech Limited ("the Company") at a price of Rs. 550/- (Rupees Five Hundred and Fifty Only) per Equity Share ("Buy-Back Price").**

- I/We having read and understood the Letter of Offer dated [●] , 2019 hereby tender / offer my/our Equity Shares in response to the Buy-Back Offer on the terms and conditions set out below and in the Letter of Offer.
- I/We authorize the Company to Buy-Back the Equity Shares offered (as mentioned below) and to issue instruction to Registrar to the Buy-Back Offer i.e. Abhipra Capital Limited to extinguish the Equity Shares.
- I/We hereby warrant that the Equity Shares comprised in this tender offer are offered for the Buy-Back by me/ us free from all liens, equitable interest, charges and encumbrance.
- I/We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender Equity Shares for the Buy-Back and that I / we am / are legally entitled to tender the Equity Shares for the Buy-Back.
- I/We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the secondary market mechanism.
- I / We acknowledge that the responsibility to discharge the tax due on any gains arising on Buy-Back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians / authorized dealers / tax advisors appropriately.
- I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on Buy-Back of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on Buy-Back of shares by the Company, copy of tax return filed in India, evidence of the tax paid, etc.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered, may be delivered to the Selling Member by the Clearing Corporation in payout.
- I/We undertake to return to the Company any Buy-Back consideration that may be wrongfully received by me/us.
- I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy-Back in accordance with the Act and the Buy-Back Regulations.
- Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Dhanuka Agritech Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
- Details of Equity Shares held and offered/tendered for the Buy-Back:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date January 02, 2019		
Number of Equity Shares Entitled for Buy-Back (Buy-Back Entitlement)		
Number of Equity Shares offered for Buy-Back (Including Additional Shares, if		

Note: An Eligible Shareholder may tender Equity Shares over and above his/her Buy-Back entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to Buy-Back entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buy-Back entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

----- Tear along this line -----

**ACKNOWLEDGMENT SLIP: DHANUKA AGRITECH LIMITED – BUY-BACK OFFER**  
(To be filled by the Eligible Equity Shareholder) (Subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>			
No. of Equity Shares offered for Buy-Back (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence	Stamp of Broker		

13) Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

14) Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Eligible Equity Share Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

\* Corporate must affix rubber stamp and sign.

**INSTRUCTIONS**

**This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form**

- This Offer will open on [●], 2019, and close on [●], 2019.
- This Tender form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buy-Back would have to do so through their respective Seller Broker by indicating the details of Equity Shares they intend to tender under the Buy-Back Offer.
- Eligible Shareholders should submit their duly filled Tender Form to the office of Registrar to the Buy-Back Offer (as mentioned in Paragraph 18 of the Letter of Offer) only post placing the bid via the Seller Broker.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form shall file a copy of the following documents:
  - Approval from the appropriate authority for such merger;
  - The scheme of merger; and
  - The requisite form filed with MCA intimating the merger.
- The Buy-Back shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.**
- The Eligible 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 pro-rated Buy-Back as may be decided by the Company / Registrar to the Buy-Back Offer, in accordance with the Buy-Back Regulations.
- Eligible Shareholders to whom the Offer is made are free to tender shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding their holding as on Record Date.
- All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- The Equity Shares in the Buy-Back Offer shall be rejected if the tenderer is not an Eligible Shareholder of the Company as on the Record date, if there is a name mismatch in the demat account of the Shareholder or if the Eligible Shareholder has made a duplicate bid.
- By agreeing to participate in the Buy-Back the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Eligible Shareholders have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as "Buy-Back", ISIN, Quantity of Equity Shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered for Buy-Back Offer.
- The Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in demat form.

----- Tear along this line -----

**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUY-BACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:**

**Investor Service Centre: Abhipra Capital Limited (Unit: Dhanuka Agritech Limited – Buy-Back Offer)**

Abhipra Complex, A-387, Dilkhush Indl. Area, G.T. Karnal Road, Azadpur, New Delhi-110033

**Contact Person: Mr. Jeewat Rai/ Mr. Dinesh K Agarwal; Tel: 011-42390783; Fax: 011-42390930; E-mail: rta@abhipra.com**

Website: www.abhipra.com **\_SEBI Registration Number: INR000003829**

**CIN: U74899DL1994PLC061802**

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT  
(FOR EQUITY SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)**

Bid Number:  
Date :

BUY-BACK OPENS ON	[●]
BUY-BACK CLOSSES ON	[●]
<b>For Registrar/ Collection Centre use</b>	
<b>Inward No.</b>	<b>Date</b>
	<b>Stamp</b>
<b>Status (please tick appropriate box)</b>	
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI
<input type="checkbox"/> Foreign Co.	<input type="checkbox"/> NRI/OCB
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/ LLP
	<input type="checkbox"/> Insurance Co
	<input type="checkbox"/> FVCI
	<input type="checkbox"/> Pension/PF
	<input type="checkbox"/> Others (Specify)
<b>India Tax Residency Status: Please tick appropriate box</b>	
<input type="checkbox"/> Resident of India	<input type="checkbox"/> Non-Resident in India
	<input type="checkbox"/> Resident of (shareholder to fill country of residence)
<b>Route of Investment (For NR Shareholders only): Please tick appropriate box</b>	
<input type="checkbox"/> Portfolio Investment Scheme	<input type="checkbox"/> Foreign Investment Scheme

To,  
**Dhanuka Agritech Limited,**  
C/o Abhipra Capital Limited,  
Abhipra Complex, A-387, Dilkhush Industrial Area,  
G.T. Karnal Road, Azadpur, New Delhi-110033

Dear Sir(s),

**Sub: Letter of Offer dated [●] , 2019 ("Letter of Offer") for Buy-Back of upto 15,00,000 (Fifteen Lakhs) fully paid-up Equity Shares of Rs. 2/- (Rupees Two Only) each of Dhanuka Agritech Limited ("the Company") at a price of Rs. 550/- (Rupees Five Hundred and Fifty Only) per Equity Share ("Buy-Back Price").**

- I/We having read and understood the Letter of Offer dated [●] , 2019 hereby tender / offer my/our Equity Shares in response to the Buy-Back Offer on the terms and conditions set out below and in the Letter of Offer.
- I/We authorize the Company to Buy-Back the Equity Shares offered (as mentioned below) and to issue instruction to Registrar to the Buy-Back Offer i.e. Abhipra Capital Limited to extinguish the Equity Shares.
- I/We hereby warrant that the Equity Shares comprised in this tender offer are offered for the Buy-Back by me/ us free from all liens, equitable interest, charges and encumbrance.
- I/We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender Equity Shares for the Buy-Back and that I / we am / are legally entitled to tender the Equity Shares for the Buy-Back.
- I/We agree that the consideration for the accepted Equity Shares will be paid to the Eligible Shareholder as per the secondary market mechanism.
- I / We acknowledge that the responsibility to discharge the tax due on any gains arising on Buy-Back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians / authorized dealers / tax advisors appropriately.
- I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on Buy-Back of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on Buy-Back of shares by the Company, copy of tax return filed in India, evidence of the tax paid, etc.
- I/We agree that the excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered, may be delivered to the Selling Member by the Clearing Corporation in payout..
- I/We undertake to return to the Company any Buy-Back consideration that may be wrongfully received by me/us.
- I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buy-Back in accordance with the Act and the Buy-Back Regulations.
- Non-resident shareholders (including NRIs, OCBs and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. "Dhanuka Agritech Limited" and the price at which the Equity Shares are being transferred i.e. "Price determined in accordance with the Buyback Regulations" duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
- Details of Equity Shares held and offered/tendered for the Buy-Back:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date January 02, 2019		
Number of Equity Shares Entitled for Buy-Back (Buy-Back Entitlement)		
Number of Equity Shares offered for Buy-Back (Including Additional Shares, if any)		

Note: An Eligible Shareholder may tender Equity Shares over and above his/her Buy-Back entitlement. Number of Equity Shares validly tendered by any Eligible Shareholder up to Buy-Back entitlement of such Eligible Shareholder shall be accepted to the full extent. The Equity Shares tendered by any Eligible Shareholder over and above the Buy-Back entitlement of such Eligible Shareholder shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

----- Tear along this line -----

**ACKNOWLEDGMENT SLIP: DHANUKA AGRITECH LIMITED – BUY-BACK OFFER**  
(To be filled by the Eligible Equity Shareholder) (Subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs.			
<b>Form of Acceptance-cum-Acknowledgement, Original TRS along with:</b>			
No. of Equity Shares offered for Buy-Back (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence	Stamp of Broker		

14. Details of Equity Share Certificate(s) enclosed: \_\_\_\_\_ Total No. of Share Certificate(s) Submitted: \_\_\_\_\_

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
1					
2					
3					
4					
<b>Total</b>					

In case the number of folios and share certificate(s) enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

15. Details of the bank account of the sole or first Eligible Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

16. Details of other Documents (Please as appropriate, if applicable) enclosed:

Power of Attorney	Previous RBI approvals for acquiring the Equity Shares of Dhanuka Agritech Limited hereby tendered in the Offer
Death Certificate	Succession Certificate
Self-attested copy of PAN	Corporate Authorizations
TRS	Others (please specify)

17. Applicable for all Non-resident shareholders

I/We undertake to pay income taxes in India on any income arising on such Buy-Back and taxable in accordance with prevailing income tax laws in India. I/We also undertake to indemnify the Company against any income tax liability on any income earned on such Buy-Back of shares by me/us.

18) Equity Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Eligible Equity Share Holder				
Signature(s)*				
PAN				
Address of the Sole/First Equity Shareholder				
Telephone No. of Sole/First Equity Shareholder		Email ID of Sole/First Equity Shareholder		

\* Corporate must affix rubber stamp and sign.

#### Instructions:

This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form

- This Offer will open on [●], 2019 and close on [●], 2019.
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buy-Back Offer should submit the following documents to their Seller Broker, who in turn would deliver the said documents along with the Transaction Registration Slip (TRS) to the RTA; the documents should be sent to the RTA only after the placement of a valid bid; non-submission of the below mentioned documents directly to the Registrar shall result in the rejection of the tendered Equity Shares
  - The Tender Form duly signed (by all Equity Shareholders in case shares are in joint names) the same order in which they hold the shares.
  - Original share certificates
  - Valid share transfer form(s) (SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar) and duly witnessed at the appropriate place authorizing the transfer in favor of the Company
  - Self-attested copy of the Shareholder's PAN Card
  - Any other relevant documents such as (but not limited to):
    - Duly attested Power of Attorney if any person other than the Equity Shareholder has signed the relevant Tender Form
    - Notarized copy of death certificate and succession certificate or probated/ will, as applicable, if the original Shareholder has deceased
    - Necessary corporate Authorizations, such as Board Resolutions etc., in case of Companies
  - In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar Card, Voter Identity Card or Passport.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form shall file a copy of the following documents:

- Approval from the appropriate authority for such merger;
  - The scheme of merger; and
  - The requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buy-Back Offer is made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Shares held by them as on Record Date.
  - All documents / remittances sent by or to Eligible Shareholders will be at their own risk and the Eligible Shareholders are advised to adequately safeguard their interests in this regard.
  - For procedure followed by Eligible Shareholders for tendering shares in the Buy-Back offer, please refer to Paragraph 20 of the Letter of Offer.
  - All documents as mentioned above shall be enclosed with the valid Tender Form otherwise the shares will be liable for rejection. The shares shall be liable for rejection on the following grounds amongst others:
    - The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●], 2019 by 5:00p.m. Indian Standard Time;
    - If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company;
    - Non-submission of Notarized copy of death certificate and succession certificate / probated/Will, as applicable in case any Eligible Shareholder has deceased.
    - If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
    - If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
    - In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar; or
    - If necessary corporate authorizations under official stamp are not accompanied with tender form.

The Equity Shares tendered in the Buy-Back shall be rejected (i) if the Shareholder is not a Eligible Shareholder of the Company on the Record Date; (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) if the Eligible Seller has made a duplicate bid.
  - By agreeing to participate in the Buy-Back the NR and NRI shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.

----- Tear along this line -----

**ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUY-BACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:**

**Investor Service Centre: Abhipra Capital Limited (Unit: Dhanuka Agritech Limited – Buy-Back Offer)**

Abhipra Complex, A-387, Dilkhush Indl. Area, G.T. Karnal Road, Azadpur, New Delhi-110033

**Contact Person: Mr. Jeewat Rai/ Mr. Dinesh K Agarwal; Tel: 011-42390783; Fax: 011-42390930; E-mail: rta@abhipra.com**

Website: www.abhipra.com **SEBI Registration Number: INR000003829**

**CIN: U74899DL1994PLC061802**

## Form No. SH-4 - Securities Transfer Form

[Pursuant to Section 56 of the Companies Act, 2013 and Sub-Rule (1) of Rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of execution: \_\_\_/\_\_\_/\_\_\_

**FOR THE CONSIDERATION** stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN 

L	2	4	2	1	9	D	L	1	9	8	5	P	L	C	0	2	0	1	2	6
---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of the company (in full): **Dhanuka Agritech Limited**

Name of the Stock Exchange where the company is listed, (if any) : **The National Stock Exchange of India Limited and BSE Limited**

### DESCRIPTION OF SECURITIES:

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	Rs. 2.00	Rs. 2.00	Rs. 2.00

No. of Securities being Transferred		Consideration received (Rs.)	
In figures	In words	In words	In figures

Distinctive Number	From		
	To		

Corresponding Certificate Nos.			

### Transferor's Particulars

Registered Folio Number :

Name(s) in full

Signature(s)

1. \_\_\_\_\_

\_\_\_\_\_

2. \_\_\_\_\_

\_\_\_\_\_

3. \_\_\_\_\_

\_\_\_\_\_

I, hereby confirm that the transferor has signed before me.

Signature of the Witness: \_\_\_\_\_

Name of the Witness: \_\_\_\_\_

Address of the Witness: \_\_\_\_\_

Pin code: \_\_\_\_\_

Transferor's Particulars		
Name in full (1)	Father's / Mother's/ Spouse's Name 2	Address & E-mail ID (3)
Dhanuka Agritech Limited	N.A.	Address: 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi-110005 E-mail:investors@dhanuka.com
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Business		

Folio No. of Transferee

\_\_\_\_\_

Specimen Signature of Transfree(s)

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

Value of Stamp affixed: Rs. \_\_\_\_\_

**Enclosures:**

1. Certificate of shares or debentures or other securities
2. If no certificate is issued, Letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, \_\_\_\_\_

**Stamps**

**For Office Use Only**

Checked by \_\_\_\_\_

Signature Talled by \_\_\_\_\_

Entered in the Register of Transfer on \_\_\_\_\_

\_\_\_\_\_ Vide Transfer no \_\_\_\_\_

Approval Date \_\_\_\_\_

Power of attorney / Probate / Death certificate / Letter of Administration

Registered on \_\_\_\_\_ at

No \_\_\_\_\_

Name of Transferor

Name of Transferee

No of Shares

Date of Transfer

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature of authorized signatory