DRAFT LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Draft Letter of Offer is sent to you as an equity shareholder(s) of Chhatisgarh Investments Limited**.** If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was affected.

OPEN OFFER BY
MR. KAMAL KISHORE SARDA ("**ACQUIRER**")
residing at 18/19, Anugrah, Anupam Nagar, Shankar Nagar, Raipur- 492007, Chhattisgarh,
Phone No.: 0771-2214212 / 2214101, **Email id**: kksarda@seml.co.in
To the shareholders of
CHHATISGARH INVESTMENTS LIMITED ("**CIL**" or the "**Target Company**")
having its Registered Office at 73-A, Central Avenue, Nagpur- 440018 and
Corporate Office at Vanijya Bhawan, 2nd Floor, Sai Nagar, Devendra Nagar Road, Raipur- 492001,
CIN: L67120MH1982PLC331831, **Phone No.**: 0771 2214211/4212,
Email: cil_rpr@rediffmail.com, **Website**: www.cginvest.co.in

For the acquisition of 1750 (One Thousand Seven Hundred Fifty) fully paid-up equity shares of the Target Company of face value of Rs. 10/- each, representing 0.68% of the equity and voting share capital of the Target Company at a price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred Forty Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

Please Note:

1. This Offer is being made by the Acquirer pursuant to Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for change in control and management of the Target Company.
2. The Offer is subject to receipt of statutory and other approvals as mentioned in Paragraph 7.7 of this Draft Letter of Offer.
3. If there is any upward revision in the Offer Price/Size at any time prior to the commencement of the last one (1) working day before the date of commencement of the tendering period viz. 02.06.2022 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement dated 19.04.2022 had appeared. If the Offer is withdrawn pursuant to regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
4. **If there is a competitive bid:**
   - **The Public Offer under all subsisting bids shall open and close on the same date.**
   - **As per the information available with the Acquirer, no competitive bid has been announced as of the date of this Draft Letter of Offer.**
5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/Draft Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
6. This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations.
7. The Procedure for acceptance and settlement is set out in Para 8 of this Draft Letter of Offer. A Form of Acceptance is enclosed with this Draft Letter of Offer.
8. The Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at the website of SEBI at www.sebi.gov.in.

	MANAGER TO THE OFFER:		**REGISTRAR TO THE OFFER:**
	VC CORPORATE ADVISORS PRIVATE LIMITED CIN: U67120WB2005PTC106051 SEBI REGN No.: INM000011096 [Validity of Registration: Permanent] (Contact Person: Ms. Urvi Belani / Mr. Premjeet Singh) 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.–2C, Kolkata-700 013 Tel. No.: (033) 2225 3940 Email: mail@vccorporate.com Website: www.vccorporate.com		**BIGSHARE SERIVCES PRIVATE LIMITED** CIN: U99999MH1994PTC076534 SEBI REGN. No.: INR000001385 Validity of Registration: Permanent (Contact Person: Mr. Arvind Tandel) Bharat Tin Works Building, 1st Floor, Opp. Vasant Oasis, Makwana Road, Marol, Andheri (East), Mumbai- 400 059, Tel. No.: +91 7021540448; Fax No.: 022 6263 8299 Email ID: openoffer@bigshareonline.com Website: www.bigshareonline.com
	TENDERING PERIOD OPENS ON: MONDAY, JUNE 06, 2022		**TENDERING PERIOD CLOSES ON: FRIDAY, JUNE 17, 2022**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activities	Date	Day
Date of the Public Announcement (PA)	April 08, 2022	Friday
Publication of Detailed Public Statement (DPS) in newspapers	April 19, 2022	Tuesday
Last date of Filing of the Draft Offer Document with the SEBI	April 26, 2022	Tuesday
Last date of a Competing Offer	May 11, 2022	Wednesday
Identified Date*	May 23, 2022	Monday
Date by which the Letter of Offer will be dispatched to the shareholders	May 30, 2022	Monday
Last date by which Board of the Target Company shall give its recommendation	June 01, 2022	Wednesday
Last date for upward revision of Offer Price and/or Offer Size	June 02, 2022	Thursday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	June 03, 2022	Friday
Date of commencement of tendering period	June 06, 2022	Monday
Date of closing of tendering period	June 17, 2022	Friday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	July 01, 2022	Friday

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except Acquirer and parties to the Family Arrangement / Memorandum) are eligible to participate in the Offer any time before the Closure of the Tendering Period.*

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirer: -

The risk factors set forth below pertain to the underlying transaction, this Open Offer and are not intended to be a complete analysis of all risks in relation to this Open Offer or in association with the Acquirer or the Target Company, but are only indicative. The risk factors set forth below do not relate to the present or future business or operations of the Target Company and any other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Equity Shareholder in this Open Offer, but are merely indicative. Equity shareholders are advised to consult their stock brokers, tax advisers and/ or investment advisers/consultants, for analyzing all the risks with respect to their participation in this Open Offer.

Relating to the Open Offer

1. The Offer involves an offer to acquire 0.68% of the equity and voting share capital of CIL from the eligible persons for the Offer.

2. In the event that either
   (a) a regulatory approval is not received in a timely manner,
   (b) there is any litigation leading to stay on the Offer, or
   (c) SEBI instructs the Acquirer not to proceed with the Offer,
   then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the equity shareholders whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.

3. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed.

4. In compliance with SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien will be marked in the depository system by the Depositories against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only accepted quantity of equity shares will be debited from the demat account of the shareholders and the lien marked against the unaccepted equity shares will be released It is understood that the Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

5. As on date the Offer is subject to the receipt of any statutory and regulatory approvals by the Acquirer as mentioned under Paragraph 7.7 of this Draft Letter of Offer. The Acquirer may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

Risks involved in associating with the Acquirer:

1. The Acquirer intends to acquire 1750 fully paid-up equity shares of face value of Rs.10/- each, representing 0.68% of the equity and voting share capital at a price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred Forty Only) per equity share, payable in cash under the SEBI (SAST) Regulations. CIL does not have any partly paid-up equity shares as on the date of the PA. Post this Offer, assuming full acceptance, the Acquirer along with parties to Family Arrangement / Memorandum will have significant equity ownership & effective management control over the Target Company pursuant to Regulation 4 of the SEBI (SAST) Regulations.

2. The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirer makes no assurance with respect to the financial performance of the Target Company.

3. The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

4. Pursuant to completion of this Offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended, the Acquirer undertakes that he will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules,1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and other applicable regulations therein. It is also pertinent to note that the Family Arrangement / Memorandum also states to delist the equity shares of the Target Company. Subsequently the Acquirer / Promoter Group of the Target Company will take necessary steps to delist the equity shares of the Company from the CSE.

5. The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

THE RISK FACTORS SET FORTH ABOVE ARE NOT A COMPLETE ANALYSIS OF ALL RISKS IN RELATION TO THE UNDERLYING TRANSACTION, THE OFFER OR IN ASSOCIATION WITH THE ACQUIRER AND ARE ONLY INDICATIVE IN NATURE.

Currency of Presentation:

a. In this Draft Letter of Offer, all references to "Rs."/ "Rupees"/ "INR"/ "₹" are references to Indian Rupee(s), the official currency of India.
b. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. DEFINITIONS/ABBREVIATIONS:

Acquirer	Mr. Kamal Kishore Sarda
Act	Companies Act, 2013 as amended and other rules as applicable
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth/Number of shares
BSE	BSE Limited
Buying Broker	Stock broker appointed by the Acquirer for the purpose of this Open Offer i.e. Ventura Securities Limited, having registered office at I-Think Techno Campus, "B" Wing, 8th Floor, Pokhran Road No. 2, Off. Eastern Express Highway, Thane (West) Mumbai- 400 607
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Clearing Corporation	Indian Clearing Corporation Limited
CSE	The Calcutta Stock Exchange Limited
Control	Shall have the meaning ascribed to it under SEBI (SAST) Regulations
DIN	Director Identification Number
DIS	Delivery Instruction Slip
DP	Depository Participant
DPS	Detailed Public Statement dated 19.04.2022
Draft Letter of Offer / DLOF	This Draft Letter of Offer dated 26.04.2022
EPS	Earning per Equity Share
Escrow Account	The escrow account opened with the Escrow Banker under the name and title "CIL Open Offer Escrow Account" bearing account number 201016918552
Escrow Banker	IndusInd Bank Limited
Equity and voting share capital	Rs. 25,80,000/- comprising of 258000 equity shares of face value of Rs. 10/- each
Existing Promoters	Kamal Kishore Sarda, Pankaj Sarda, Uma Sarda, Vipula Sarda, Anant Sarda, Vivaan Sarda, Sarda Agriculture & Properties Private Limited and Prachi Agriculture & Properties Private Limited
Family Arrangement / Memorandum	Family arrangement mutually entered into between the Acquirer including his family members and entities controlled by them, members of Ghanshyam Sarda Family and members of Late Jugal Kishore Family on 17.08.2019, formally executed on 18.01.2020.
FEMA	Foreign Exchange Management Act, 1999, as amended
FOA or Form of Acceptance	Form of Acceptance– cum– Acknowledgment accompanying this Letter of Offer
Ghanshyam Sarda Family	Ghanshyam Sarda, Veena Sarda, Aditi Sarda, Aditya Sarda and Sarda Investment (Firm)
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and parties to Family Arrangement / Memorandum) are eligible to participate in the Offer any time before the Closure of the Offer.
Kamal Kishore Sarda Family/ Acquirer Family	Kamal Kishore Sarda, Pankaj Sarda, Uma Sarda, Vipula Sarda, Anant Sarda, Vivaan Sarda, Sarda Agriculture & Properties Private Limited and Prachi Agriculture & Properties Private Limited
Late Jugal Kishore Sarda Family	Manish Sarda, Neeraj Sarda and Sarda Finvest (Firm)
Manager to the Offer	VC Corporate Advisors Private Limited
MPSR	Minimum public shareholding requirement of 25% in the Target Company
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	08.04.2022 to 01.07.2022
Offer Price	Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred and Forty Only) per equity share payable in cash

Offer/Open Offer	Cash Offer being made by the Acquirer to acquire 1750 equity shares of face value of Rs. 10/- (Rupees Ten Only) each, representing 0.68% of the equity and voting share capital at a price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred and Forty Only) per equity share
PA	Public Announcement dated 08.04.2022
PAC	Person(s) acting in concert as defined under regulation 2(1)(q)(2) of the SEBI (SAST) Regulations.
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of CIL (except the Acquirer and parties to the Family Arrangement / Memorandum)
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited
Return on Net Worth	(Profit After Tax/Net Worth)*100
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities & Exchange Board of India
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
Selling Broker	Respective stock brokers of all Shareholders who desire to tender their Equity Shares under the Open Offer
Stock Exchange	The Calcutta Stock Exchange Limited
Target Company / CIL	Chhatisgarh Investments Limited
Tendering Period	Period within which Eligible Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e., the period between and including June 06, 2022 and June 17, 2022
Working Day	A working day of SEBI, as defined in the SEBI (SAST) Regulations.

Note: All terms beginning with a capital letter used in this Draft LOF, but not otherwise defined herein, shall have the meaning ascribed thereto in that particular section or in the SEBI (SAST) Regulations unless specified.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF CIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR FOR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE HIS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 26.04.2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

3. DETAILS OF THE OFFER:

3.1. Background of the Offer:

3.1.1 This Offer is a mandatory Open Offer being made by the Acquirer, to the Shareholders of the Target Company in compliance with Regulation 4 of the SEBI (SAST) Regulations to acquire upto 1750 Equity Shares of face value of Rs. 10/- each representing 0.68% of total equity and voting share capital of the Target Company, at a price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred and Forty Only) per equity share (the "**Offer Price**") payable in cash, subject to the terms and conditions mentioned hereinafter.

3.1.2 The Acquirer along with his family members and entities controlled by them were the Promoters of the Target Company. They collectively held 185050 equity shares representing 71.72% of the fully paid-up equity and voting share capital of the Target Company. Pursuant to an understanding between the Acquirer and members of Late Jugal Kishore Sarda Family, represented by his sons (JKS Family), and members of Mr. Ghanshyam Sarda Family (GS Family), being brothers of the Acquirer, collectively holding 71200 equity shares representing 27.60% of the fully paid up equity and voting share capital of the Target Company amongst themselves and their family members or controlled entities by them, it was agreed upon to re-classify them as part of the Promoter Group of the Target Company as per the Family Arrangement approved by the aforementioned parties on 17.08.2019 which was recorded in the Memorandum executed on 18.01.2020 ("**Family Arrangement**"/ "**Memorandum**"). This Open Offer has been triggered by the aforementioned Family Arrangement/ Memorandum. The Memorandum also states that post the execution of the Family Arrangement; the equity shares of the Target Company will be delisted from the CSE.

3.1.3 Therefore, this Open Offer is made under Regulation 4 of the SEBI (SAST) Regulations by the Acquirer, for acquisition of 1750 equity shares, payable in cash.

3.1.4 The payment of consideration shall be made to all the equity shareholders, who have tendered their equity shares in acceptance of the Open Offer, within ten working days of the expiry of the Tendering Period.

3.1.5 <u>The Salient features of the Family Arrangement / Memorandum triggering the Open Offer are as under:</u>

- The members of the Late Jugal Kishore Sarda Family and Mr. Ghanshyam Sarda Family shall form part of the Promoters / Promoter Group of the Target Company along with the existing Promoters.

- Distribution of business operations, control of entities in the group and profit-sharing ratio amongst the existing Promoters, members of the Late Jugal Kishore Sarda Family and Mr. Ghanshyam Sarda Family.

- The objective is to ensure that the future generations of the various branches of the Ram Kishore Sarda Family (father of the Acquirer, Late Jugal Kishore Sarda and Mr. Ghanshyam Sarda) can maintain cordial relations with other branches while maintaining the highest traditions of ethics and business practices for which the Sarda name is known for.

- The equity shares of the Target Company would be delisted from the CSE after the execution of the Family Arrangement / Memorandum.

3.1.6 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.7 The Acquirer has not been classified as willful defaulter by RBI and hence, is in compliance of Regulation 6A of the SEBI (SAST) Regulations for the purpose of this Offer. Further, the Acquirer has not been categorized as a fugitive economic offender and hence is in compliance of Regulation 6B of the SEBI (SAST) Regulations for the purpose of this Offer.

3.1.8 There are certain individuals/ entities who may be classified as Persons Acting in Concert ["**PAC**"] in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations. However, there are no Person Acting in Concert ("**PAC**") with the Acquirer for the purpose of this Open Offer in accordance with provisions of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations.

3.1.9 Upon the completion of the Offer, assuming full acceptances in the Offer the Acquirer along with the other constituents of the Promoter Group/ PACs shall hold the majority of the Equity Shares of the Target Company by virtue of which the Promoter Group/ PACs shall be in a position to exercise effective management and control over the Target Company.

3.1.10 The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of DPS or this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

3.1.11 The Acquirer has not yet made any firm decision regarding proposed change, in the Board of Directors of the Target Company.

3.1.12 The Acquirer has not been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act, 1992 as amended or under any other Regulations made under the SEBI Act.

3.1.13 As per Regulation 38 of the SEBI LODR Regulations read with Rule 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957 as amended ("**SCRR**") the Target Company is required to maintain at least 25% public shareholding ("**Minimum Shareholding**"), as determined in accordance with SCRR, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended, the Acquirer undertakes that he will take necessary steps to facilitate compliances of the Target Company with the relevant provisions of the Securities Contract (Regulation) Rules,1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and other applicable regulations therein. It is also pertinent to note that the Family Arrangement/ Memorandum also states to delist the equity shares of the Target Company. Subsequently the Acquirer/ Promoter Group of the Target Company will take necessary steps to delist the equity shares of the Company from the CSE.

3.1.14 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors are required to constitute a committee of 'Independent Directors' to provide reasoned recommendation on this Offer to the Equity shareholders. Such recommendation of the committee of Independent Directors of the Target Company on the Offer will be published at least two (2) working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy of the same shall be sent to SEBI, CSE and Manager to the Offer in compliance of regulation 26(7) of the SEBI (SAST) Regulations.

3.2. Details of the proposed Offer:

3.2.1 The Detailed Public Statement pursuant to the Public Announcement made by the Acquirer has appeared in The Financial Express (English Daily) all editions, Jansatta (Hindi Daily) all editions, Loksatta (Marathi Daily) and Sukhabar (Bengali Daily) on 19.04.2022 in compliance with regulation 14(3) of the SEBI (SAST) Regulations. The Detailed Public Statement made on 19.04.2022 is available on the website of SEBI at www.sebi.gov.in.

3.2.2 The Acquirer proposes to acquire from the existing equity shareholders of CIL 1750 equity shares of face value of Rs. 10/- each representing 0.68% of equity and voting share capital of the Target Company, at a price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred Forty Only) (the "**Offer Price**") per equity share payable in cash (the "**Offer**" of "**Open Offer**"), subject to the terms and conditions mentioned hereinafter.

3.2.3 As on date of PA, the Target Company does not have partly paid-up equity shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage. No shares are subject to any lock- in obligations.

3.2.4 The Acquirer will accept all the equity shares of CIL those that are tendered in valid form in terms of this Open Offer upto a maximum of 1750 fully paid-up equity shares of face value of Rs. 10/- each representing 0.68% of the equity and voting share capital of the Target Company.

3.2.5 Since the date of the PA to the date of this Draft LOF, the Acquirer has not acquired any equity shares of CIL.

3.2.6 No competitive bid has been received as on date of this Draft LOF.

3.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations, and not a Competitive Bid in terms of the Regulation 20 the SEBI (SAST) Regulations.

3.2.8 This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of equity shares of the Target Company.

3.2.9 Upon the completion of the Offer, assuming full acceptances in the Offer and Equity Shares acquired pursuant to the execution of the aforesaid family arrangement which triggered Open Offer, the Acquirer along with the existing Promoter and the Parties to the Family Arrangement/ Memorandum will hold the entire equity and voting share capital of the Target Company and hence there will be a change in management control pursuant to this Open Offer. Accordingly, the Parties to the Family Arrangement / Memorandum, as applicable, will be re-classified as the Promoters of the Target Company post completion of the Open Offer in compliance with the conditions specified under Regulation 31A of the SEBI (LODR) Regulations and other statutory approvals applicable thereto.

3.2.10 The Manager to the Offer does not hold any Equity Shares in the Target Company as at the date of Public Announcement and / or Detailed Public Statement and/ or Draft Letter of Offer. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

3.3. Object of the Offer:

3.3.1 The prime object of the Offer is to comply with the applicable requirements of the SEBI (SAST) Regulations with respect to the change in control and management of the Target Company.

3.3.2 This Open Offer is for acquisition of 0.68% of total equity and voting share capital of the Target Company. After the completion of this Open Offer, assuming full acceptance, the Acquirer along with the existing Promoter and the Parties to the Family Arrangement/ Memorandum will hold the entire equity and voting share capital of the Target Company.

3.3.3 Subject to satisfaction of the provisions under the Act, whichever applicable, the SEBI (SAST) Regulations and/ or any other Regulation(s), the Acquirer along with the existing Promoter and the Parties to the Family Arrangement / Memorandum intends to jointly control & make changes in the management of CIL and together they will hold the entire equity and voting share capital of the Target Company. However, no firm decision in this regard has been taken or proposed so far.

3.3.4 The Acquirer proposes to continue existing business of the Target Company and may diversify its business activities in future with prior approval(s) of the shareholders of the Target Company and such statutory and/or regulatory authority, as may be applicable, in due compliance with applicable laws. The main purpose of takeover is to comply with the SEBI (SAST) Regulations and also expand the Target Company's business activities in same/diversified line through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.

3.3.5 The Acquirer does not have any plans to dispose off or otherwise encumber any significant assets of CIL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that he shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of Regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

4. BACKGROUND OF THE ACQUIRER:

4.1. Mr. Kamal Kishore Sarda

4.1.1. Mr. Kamal Kishore Sarda, s/o. Late Ram Kishore Sarda, aged about 70 years, is a resident of India currently residing at 18/19, Anugrah, Anupam Nagar, Shankar Nagar, Raipur- 492007, Chhattisgarh, Tel. No.: 0771-2214212 / 2214101, Email id: kksarda@seml.co.in. He has done his Bachelor in Mechanical Engineering from National Institute of Technology. He has an experience of nearly forty-five years in the field of the iron and steel industry and in Investment sector. He is holding 4800 equity shares constituting 1.86% of the fully paid-up equity share capital in the Target Company as on the date of the public announcement.

4.1.2. The net worth of the Acquirer is Rs. 29,10,98,505/- (Rupees Twenty Nine Crores Ten Lakhs Ninety Eight Thousand Five Hundred Five Only) as on March 31, 2021 as certified by Mr. Sankalp Sohaney (Membership No.: 434993), Partner of M/s. Begani & Begani, Chartered Accountants, (FRN: 010779C), having office at C-34/1, 2nd Floor, Near Digambar Jain Mandir, Tagore Nagar, Raipur- 492001, Tel. No.: 0771 2227242 /

4099889, Fax No.: 0771 4099888, Email: beganis@hotmail.com, vide their certificate dated January 27, 2022 bearing Unique Document Identification Number ("**UDIN**") 22434993AAAABJ1811.

4.1.3. The Director Identification Number ('DIN') of the Acquirer is 00008170. As on date of this DPS, he is Director in Chhatisgarh Investments Limited, Sarda Energy & Minerals Limited, Parvatiya Power Limited, Sarda Energy Limited, Sarda Metals & Alloys Limited and Madhya Bharat Power Corporation Limited. The Acquirer is the Chairman and Managing Director in M/s. Sarda Energy & Minerals Limited, listed on both the National Stock Exchange of India Limited and the BSE Limited.

4.1.4. There is no requirement of compliance with the applicable provisions of Chapter V of SEBI (SAST) Regulations in respect to holding of equity shares by the Acquirer in the Target Company. However, the Acquirer has duly complied with the applicable provisions of Chapter V of SEBI (SAST) Regulations in respect to being part of the Promoter Group of the Target Company.

4.1.5. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4.1.6. The Acquirer has not been categorized as a willful defaulter or fugitive economic offender.

4.1.7. There are certain individuals/ entities who may be classified as Persons Acting in Concert ["**PAC**"] in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations. However, there are no Person Acting in Concert ("**PAC**") with the Acquirer for the purpose of this Open Offer in accordance with provisions of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations.

4.2. As on the date of the PA, the Acquirer has not been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act, 1992 as amended or under any other Regulations made under the SEBI Act.

4.3. As on date of the PA, the Acquirer is the Chairman and Managing Director in M/s. Sarda Energy & Minerals Limited, listed on both the National Stock Exchange of India Limited and the BSE Limited.

4.4. The Acquirer is one of the Promoter and Director of the Target Company. The Acquirer belongs to Sarda Group.

4.5. The Acquirer undertakes that he will not sell the equity shares of the Target Company, held and acquired by him, if any, during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations.

4.6. The Acquirer has undertaken that if he will acquire any equity shares of the Target Company during the Offer Period, they shall inform CSE, the Target Company and the Manager to the Offer within 24 hours of the acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, he has also undertaken that he will not acquire or sell any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.

5. BACKGROUND OF THE TARGET COMPANY:

5.1. M/s. Chhatisgarh Investments Limited ("**CIL**") was incorporated under the provisions of the Companies Act, 1956 on 21.04.1982 and obtained a certificate of commencement of business from the Registrar of Companies Gwalior, Madhya Pradesh on 05.08.1982. The name of CIL has not been changed since its incorporation. The CIN of CIL is L67120MH1982PLC331831. Presently, the registered office and corporate office of the Target Company is situated at 73-A, Central Avenue, Nagpur- 440018 and Vanijya Bhawan, 2nd Floor, Sai Nagar, Devendra Nagar Road, Raipur- 492001 respectively, Tel. No.: 0771 2214211 / 4212, Email: cil_rpr@rediffmail.com; Website: www.cginvest.co.in. The registered office of CIL was shifted from Vanijya Bhawan, 1st Floor, Sai Nagar, Devendra Nagar Road, Raipur- 492001 to its present address with effect from 20.09.2019. The Target Company belongs to Sarda Group.

5.2. The authorized equity share capital of CIL is Rs. 1,00,00,000/- comprising of 1000000 equity shares of face value of Rs. 10/- each. The Issued, Subscribed & Paid-up equity share capital of CIL is Rs. 25,80,000/- comprising of 258000 equity shares of face value of Rs. 10/- each. CIL has established its connectivity with both the Central Depository Services (India) Limited and National Securities Depository Limited. The ISIN No. of CIL is INE078P01016 and the marketable lot for equity share is 1 (One) equity share.

5.3. The Target Company is engaged in the business of investment and finance and is registered with the Reserve Bank of India as a non-deposit taking Non-Banking Financial Company under section 45IA of the RBI Act, 1934 having RBI Registration no.: B-13.02380 and is also engaged in agricultural operations, generation of solar power and real estate sector. As on date of PA, the Target Company does not have any partly paid- up equity shares. There are no outstanding warrants or options or similar instruments, convertible into equity shares at a later stage. No equity shares are subject to any lock-in obligations.

5.4. The equity shares of the Target Company are presently listed on the Calcutta Stock Exchange Limited. There are no outstanding shares of the Target Company that have been issued but not listed on the CSE. The trading of the Equity Shares of the Target Company is currently not suspended on CSE. Based on the information available on the website of CSE, the equity shares of CIL are not frequently traded on the CSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations as the equity shares are not traded for the last many years on the CSE.

5.5. **The Share Capital of the Target Company is as follows:**

Paid up Equity Shares of Target Company	No. of Shares/ Voting Rights	% of Shares/ Voting Rights
Fully Paid-up Equity Shares	258000	100%
Partly Paid-up Equity Shares	-	-
Total Paid-up Equity Shares	258000	100%
Total Voting Rights in the Target Company	258000	100%

5.6. **As on the date of this Draft LOF, the Board of Directors of CIL are as follows:**

Names of Directors	DIN No.	Designation	Date of Appointment
Mr. Kamal Kishore Sharda	00008170	Chairman and Non-Executive Director	19.07.2002
Mr. Saurabh Rathi	00014178	Whole-time Director	02.07.2011
Ms. Ritu S Jain	00534451	Non-Executive Independent Director	27.09.2014
Mr. Asit Kumar Basu	01382260	Non-Executive Independent Director	01.06.2019
Mr. Anant Sarda	07908187	Non-Executive Director	01.01.2022

Note: Mr. Anant Sarda is the son of the Acquirer.

5.7. There has been no merger / demerger or spin off involving CIL during the last 3 years.

5.8. **Financial Information:**

Brief consolidated audited financial information of the Target Company for the Financial Year ended 31.03.2021, 31.03.2020, 31.03.2019 and the certified and un-audited consolidated financial statements for the nine (9) months period ended 31.12.2021 are as follows:

Profit & Loss Statement **(Amount Rs. in Lakhs)**

Particulars	**Nine Months Period ended 30th December, 2021 Certified & Un-audited)**	**31st March, 2021 (Audited)**	**31st March, 2020 (Audited)**	**31st March, 2019 (Audited)**
Income from Operations	7,351.99	6,491.26	5,588.95	3,866.98
Other Income	0.78	0.28	1.65	26.90
Total Income	**7,352.77**	**6,491.54**	**5,590.60**	**3,893.88**
Total Expenditure	**1,663.66**	**2,904.66**	**5,729.43**	**8,456.68**
Profit/ (Loss) before Interest, Depreciation and Tax	5,689.11	3,586.88	(138.82)	(4,562.80)
Depreciation	280.58	345.21	305.66	330.70
Interest	2,121.69	2,917.92	3,304.04	3,259.54
Exceptional Items	6.96	11.93	6.96	(4.54)
Profit/ (Loss) before Tax	**3,293.80**	**335.68**	**(3,741.57)**	**(8,157.58)**
Provision for Tax	563.85	189.55	14.70	45.72
Profit/ (Loss) after tax	**2,729.95**	**146.13**	**(3,756.27)**	**(8,203.30)**

Particulars	Nine Months Period ended 30th December, 2021 Certified & Un-audited)	31st March, 2021 (Audited)	31st March, 2020 (Audited)	31st March, 2019 (Audited)
Share of Profit / Loss of Associates and Joint Ventures	20,967.62	12,425.49	2,082.02	4,927.36
Profit for the period from continuing operation	23,697.57	12,571.62	(1,674.24)	(3,275.94)

Balance Sheet **(Amount Rs. in Lakhs)**

Particulars	Nine Months Period ended 30th December, 2021 (Certified & Un-audited)	31st March, 2021 (Audited)	31st March, 2020 (Audited)	31st March, 2019 (Audited)
Sources of funds				
Paid-up Share Capital	25.80	25.80	25.80	25.80
Reserves & Surplus (excluding revaluation reserves)	1,51,815.94	1,32,938.31	85,555.02	93,277.24
Less:- Miscellaneous Expenditure not written off	-	-	-	-
Net Worth	**1,51,841.94**	**1,32,964.11**	**85,580.82**	**93,303.04**
Secured Loans	0.00	6,073.17	6,758.51	10,459.89
Unsecured Loans	37,925.51	26,673.85	23,372.93	23,139.65
Current Liabilities	1,742.57	1,981.07	1,508.96	3,160.40
Other Non-Current Liabilities	-	-	-	-
Total	**1,91,509.82**	**1,67,692.20**	**1,17,221.21**	**1,30,062.98**
Uses of funds				
Net Fixed Assets	6,617.45	6,640.72	9,297.77	9,913.19
Investments	1,69,385.86	1,46,847.98	97,034.91	1,08,860.15
Long Term Loans & Advances	9,380.79	8,567.98	9,021.76	8,679.92
Other Non-Current Assets	5,511.02	4,772.86	1,822.84	2,058.67
Net Current Assets	614.70	862.66	43.93	551.05
Total	**1,91,509.82**	**1,67,692.20**	**1,17,221.21**	**1,30,062.98**

Other Financial Data

Particulars	Nine Months Period ended 30th December, 2021 (Certified & Un-audited)	31st March, 2021 (Audited)	31st March, 2020 (Audited)	31st March, 2019 (Audited)
Dividend (%)	100.00	25.00	25.00	25.00
Earnings Per Share (Rs.)	9,185.10*	4,872.72	(765.18)	(1,269.74)
Return on Networth (%)	1.80*	0.11	(4.39)	(8.79)
Book Value per Share (Rs.)	58,853.47	51,536.48	33,170.86	36,163.97

**Non- Annualized.*

Note: *(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year.*
(ii) Return on Net Worth = Profit after Tax / Net Worth
(iii) Book Value per Share = Net Worth-Preference Share Capital/ No. of equity shares
(iv)Source: Annual Reports/ Certified & Un-audited Financial Statements of CIL.

5.9. **Pre and Post-Offer Shareholding Pattern of CIL based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:**

Shareholders' Category	Shareholding/voting rights prior to the agreement/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group:								
(a) **Acquirer:** Mr. Kamal Kishore Sarda	4800	1.86%	-	-	1750	0.68%	6550	2.54%
(b) Parties to the Agreement/ Existing Promoters other than the Acquirer	180250	69.86%	-	-	-	-	251450	97.46%
(c) Promoters other than (a) & (b) above	-	-	-	-	-	-	-	-
Total 1 (a+b+c)	**185050**	**71.72%**	**-**	**-**	**-**	**-**		
2.Parties to Agreement other than 1(a) & 1(b)	71,200	27.60%	-	-	-	-	-	-
Total 2	71200	27.60%	-	-	-	-	-	-
3. Public					(1750)	(0.68%)	-	-
a. FIs/MFs/FIIs/Banks/SFIs:	-	-	-	-				
b. Others:	1750	0.68%	-	-				
(Indicate the total number of shareholders in public category)- 2								
Total 3 (a+b)	1750	0.68%						
GRANDTOTAL (1+2+3+4)	**258000**	**100.00%**	**-**	**-**	**-**	**-**	**258000**	**100.00%**

**Subject to receipt of statutory and other approvals required, if any.*

^As the Acquirer already forms the part of the Exiting Promoter Group and a Party to the Family Arrangement / Memorandum his shareholding and percentage has already been considered in the shareholding under point 1 (a) in the table above i.e. in 185050 equity shares.

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1. Justification of Offer Price:

6.1.1 The equity shares of the Target Company are listed at the CSE only under the Scrip Code of "013142" at CSE. The marketable lot for equity shares is 1 (One) equity share. This Open Offer for the acquisition of equity shares is as per the Regulation 4 of the SEBI (SAST) Regulations.

6.1.2 The annualized total trading turnover in the Equity Shares of the Target Company on CSE based on trading volume during the twelve calendar months prior to the month of Public Announcement ["**PA**"] (01.04.2021 to 31.03.2022) is as given below:

Stock Exchange	Total No. of equity shares traded during the twelve calendar months prior to the month of PA	Total No. of equity shares of the Target Company	Trading Turnover (as % of total equity shares)
CSE	Nil	258000	Not Ascertainable

6.1.3 Based on the information available on the website of CSE the equity shares of CIL are infrequently traded on the CSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.4 The Offer Price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred Forty Only) per fully paid up equity share of the Target Company is justified in terms of Regulation 8(2) (e) of the SEBI (SAST) Regulations.

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="2">Price (Amount In Rs.)</th></tr>
<tr><td>1.</td><td>Highest negotiated price per share for acquisition under the agreement attracting the obligations to make a public announcement for the Offer</td><td colspan="2">Not Applicable</td></tr>
<tr><td>2.</td><td>The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA</td><td colspan="2">Not Applicable</td></tr>
<tr><td>3.</td><td>Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA</td><td colspan="2">Not Applicable</td></tr>
<tr><td>4.</td><td>The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period</td><td colspan="2">Not Applicable</td></tr>
<tr><td>5.</td><td>Where the shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters per Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares</td><td colspan="2">Rs. 37,359.50 per equity share</td></tr>
<tr><td></td><td>Other Financial Parameters as at March 31, 2019 and March 31, 2021</td><td>March 31, 2019</td><td>March 31, 2021</td></tr>
<tr><td></td><td>- Return on Networth %</td><td>(3.51)</td><td>9.45</td></tr>
<tr><td></td><td>- Book Value per equity share (Rs.)</td><td>36,163.97</td><td>51,536.48</td></tr>
<tr><td></td><td>- Earnings per equity share (diluted) (Rs.)</td><td>(1,269.74)</td><td>4,872.72</td></tr>
</table>

Note: Return on networth (%) includes networth derived after taking into consideration profit from associate companies.

Ms. Vidhi Chandak, IBBI Registered Valuer (Registration No: IBBI/RV/06/2019/11186), having her office at 8, Lake Range, Kolkata- 700026, Mobile no.: 9051052600, Email: vchandak95@gmail.com through her valuation report dated 08.04.2022, bearing UDIN 22057114AGQQDB2063, has certified that the fair value of the Equity Share of the Target Company based on the consolidated audited financials as at March 31, 2019, prior to the Triggering date, i.e., 17.08.2019, is Rs. 37,359.50 (Rupees Thirty Seven Thousand Three Hundred Fifty Nine and Fifty Paise Only) per equity share.

The Promoters of the Target Company had entered into a Family Arrangement as detailed under 'Background to the Offer' above, pursuant to which an Open Offer under Regulation 4 of the SEBI (SAST) Regulations was triggered in the hands of the Promoters; however, no Open Offer was made. **SEBI may initiate suitable action against the current Promoters/ Promoter Group of the Target Company for violation of Regulation 4 of the SEBI (SAST) Regulations**.

The Offer price has been calculated assuming the triggering point as acquisition date and interest calculation thereon @ 10% P.A. till the date of current PA, the details of which is mentioned below:

Date of Family Arrangement (Trigger Date)	Current Date of PA	No. of days (Delay)	Transaction Price	Price as per Regulation 8(2) of SEBI (SAST) Regulation, 2011	Interest @ 10% p.a.	Total (Rs.)
17.08.2019	08.04.2022	965	NA	37,359.50	9,877.24	47,236.74

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs. 47,240/- (Rupees Forty-Seven Thousand Two Hundred Forty Only) per equity share is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations.

6.1.5 During the last three years preceding the date of public announcement, the Company has not undertaken any Buyback of equity shares. Further, there has been no corporate action in the Company in the last one year from the date of public announcement under Regulation 8(9) of the SEBI (SAST) Regulations.

6.1.6 As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirer shall comply with regulation 18 of SEBI (SAST) Regulations and all other applicable provisions of SEBI (SAST) Regulations.

6.1.7 If there is any revision in the Offer price on account of future purchases/ competing offers, it will be done only up to the period prior to the commencement of the last one (1) working day before the date of commencement of the tendering period and would be notified to shareholders.

6.1.8 If the Acquirer acquires equity shares of the Target Company during the period of twenty-six weeks after the tendering period at the price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the equity shareholders whose equity shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations or pursuant to SEBI (Delisting of Equity Shares), Regulations, 2021 or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2. Financial arrangements:

6.2.1 The Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of its own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. Mr. Sankalp Sohaney (Membership No.: 434993), Partner of Begani & Begani, Chartered Accountants, (FRN no.: 010779C), having office at C-34/1, 2nd Floor, Near Digambar Jain Mandir, Tagore Nagar, Raipur- 492001, Phone No.: 0771 2227242 / 4099889, Fax No.: 0771 4099888, Email: beganis@hotmail.com vide their certificate dated April 08, 2022, bearing UDIN 22434993AGQEUQ4369, have certified that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

6.2.2 The maximum consideration payable by the Acquirer assuming full acceptance of the Offer would be Rs. 8,26,70,000/-(Rupees Eight Crores Twenty Six Lakhs Seventy Thousand Only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account, namely "**CIL Open Offer Escrow Account**" (bearing Account No.: 201016918552 and deposited therein Rs. 2,06,67,500/- (Rupees Two Crores Six Lakhs Sixty-Seven Thousand Five Hundred Only) being 25.00% of the amount required for the Open Offer in an Escrow Account opened with the IndusInd Bank Limited, India Exchange Place Branch, Kolkata- 700001 (**'Escrow Banker'**) on 13.04.2022.

6.2.3 The Manager to the Offer is authorized to operate the above-mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.

6.2.4 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

6.2.5 In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER:

7.1 The Draft Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of CIL (except the Acquirer and parties to the Family Arrangement / Memorandum) whose name appear on the Register of Members, at the close of business hours on 23.05.2022 **("Identified Date")**. On receipt of a request from any shareholder to receive a copy of the letter of offer in physical format, the same shall be provided.

7.2 All owners of the shares, Registered or Unregistered (except the Acquirer and parties to the Family Arrangement / Memorandum) who own the shares any time prior to the Closing of the tendering period are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

7.3 Accidental omission to dispatch this Draft LOF or the non-receipt or delayed receipt of this Draft LOF will not invalidate the Offer in anyway.

7.4 Subject to the conditions governing this Offer, as mentioned in the Draft LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.5 **Locked-in Shares:** There are no locked-in shares in CIL.

7.6 **Eligibility for accepting the Offer:**

The Offer is made to all the equity shareholders (except the Acquirer and parties to the Family Arrangement / Memorandum) whose names would appear in the register of shareholders on 23.05.2022 at the close of the business hours on 23.05.2022 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7 Statutory Approvals and conditions of the Offer:

7.7.1 As on the date of this DPS, to the best of the knowledge and belief of the Acquirer, no statutory and other approvals are required in relation to the Open Offer, except that of the Reserve Bank of India ("**RBI**") under Non-Banking Financial Companies (Approval of Acquisition or Transfer of Control) Directions, 2015 issued in terms of Notification No. DNBR (PD) CC. No. 065/03.10.001/2015-2016 dated 09.07.2015 is required for completing the Open Offer. The Acquirer and Target Company have already initiated the process and filed the requisite application with the RBI. The acceptance of equity shares proposed to be tendered by the non-resident shareholders, if any, is subject to receiving the necessary approval(s), if any, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto. In the event such approvals from the RBI are not received, the Acquirer reserves the sole right to reject the equity shares tendered by such shareholders in the Open Offer. However, the Offer would be subject to all statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

7.7.2 The Acquirer, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has appeared.

7.7.3 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

7.7.4 No approval is required from any bank or financial institutions for this Offer.

7.7.5 The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER:

8.1 The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015, CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 issued by SEBI.

8.2 Since CSE does not have nation-wide trading terminal, the Acquirer proposes to acquire the equity shares from the public shareholders through an acquisition window facility i.e., separate acquisition window in the form of a web-based bidding platform provided by the BSE Limited, in accordance with the Stock Exchange Mechanism (the "**Acquisition Window Facility**" or "**Offer to Buy**"/ "**OTB**"), conducted in accordance with the terms of the Open Offer. Thus, BSE Limited ["**BSE**"] shall be the designated Stock Exchange for the purpose of tendering shares in the Open Offer.

8.3 The Acquirer has appointed Ventura Securities Limited for the Open Offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:

Name: Ventura Securities Limited
Address: I-Think Techno Campus, "B" Wing, 8th Floor, Pokhran Road No. 2, Off. Eastern Express Highway, Thane (West) Mumbai- 400 607
Tel. No.: 022 6754 7000, Fax No.: 022 2518 6080, Email Id: raipur@ventura1.com &
Contact Person: Mr. Ramesh Verman

8.4 All the equity shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers ("**Selling Brokers**") within the normal trading hours of the Secondary Market, during the Tendering period.

8.5 A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.

8.6 The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.

8.7 Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client.

8.8 In the event Selling Member/ Selling Brokers of any Eligible Shareholder is not registered with BSE trading member/ stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, viz. Ventura Securities Limited, to register himself by using quick UCC facility. The Public Shareholder approaching BSE registered stock- broker (with whom he does not have an account) / Ventura Securities Limited may have to submit following details:

I. <u>In case of Public Shareholder being an individual:</u>

*(a) <u>If Public Shareholder is registered with KYC Registration Agency ("**KRA**"):</u>*

Forms required:

*1. Central Know Your Client ("**CKYC**") form including Foreign Account Tax Compliance Act ("**FATCA**"), In Person Verification ("**IPV**"), Original Seen and Verified ("**OSV**") if applicable.*

*2. Know Your Client ("**KYC"**) form documents required (all documents self- attested):*

– Bank details (cancelled cheque);

3. Demat details for Equity Shares in demat mode (demat master /latest demat statement).

(b) <u>If Public Shareholder is not registered with KRA:</u>

Forms required:

1. CKYC form including FATCA, IPV, OSV if applicable.

2. KRA form.

3. KYC form documents required (all documents self-attested):

*– Permanent Account Number ("**PAN**") card copy;*

– Address proof;

– Bank details (cancelled cheque);

4. Demat details for Equity Shares in demat mode (demat master /latest demat statement)

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

II. In case of Public Shareholder, being a Hindu Undivided Family ("HUF"):

(a) <u>If Public Shareholder is registered with KRA:</u>

Forms required:

1. CKYC form of karta including FATCA, IPV, OSV if applicable

2. KYC form documents required (all documents self-attested):

– Bank details (cancelled cheque);

3. Demat details for Equity Shares in demat mode (demat master /latest demat statement)

(b) <u>If Public Shareholder is not registered with KRA:</u>

<u>Forms required:</u>

1. CKYC form of karta including FATCA, IPV, OSV if applicable.

2. KRA form.

3. KYC form documents required (all documents self-attested):

– PAN card copy of HUF & karta;

– Address proof of HUF & karta;

– HUF declaration;

– Bank details (cancelled cheque);

4. Demat details for Equity Shares in demat mode (demat master /latest demat statement).

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

III. <u>In case of Public Shareholder other than Individual and HUF:</u>

(a) <u>If Public Shareholder is KRA registered:</u>

Forms required:

1. *KYC form documents required (all documents certified true copy):*
   - Bank details (cancelled cheque).
2. *Demat details for Equity Shares in demat mode (demat master /latest demat statement).*
3. *FATCA, IPV, OSV if applicable.*
4. *Latest list of directors/authorised signatories/partners/trustees.*
5. *Latest shareholding pattern.*
6. *Board resolution.*
7. *Details of ultimate beneficial owner along with PAN card and address proof.*
8. *Last 2 years financial statements.*

(b) <u>If Public Shareholder is not KRA registered:</u>

Forms required:

1. *KRA form.*
2. *KYC form documents required (all documents certified true copy):*
   – PAN card copy of company/ firm/trust;
   – Address proof of company/ firm/trust;
   – Bank details (cancelled cheque);
3. *Demat details for Equity Shares in demat mode (demat master /latest demat statement).*
4. *FATCA, IPV, OSV if applicable.*
5. *Latest list of directors/authorised signatories /partners/trustees.*
6. *PAN card copies & address proof of directors/authorised signatories/ partners/trustees.*
7. *Latest shareholding pattern.*
8. *Board resolution/partnership declaration.*
9. *Details of ultimate beneficial owner along with PAN card and address proof.*
10. *Last 2 years financial statements.*
11. *Memorandum of association/partnership deed /trust deed.*

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

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

8.9 **Procedure for tendering shares held in Dematerialized Form**.

a) The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.

b) Under the existing mechanism, the shares tendered by the shareholders are required to be directly transferred to the account maintained by the Clearing Corporation.

c) As per SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released.

d) There is no change in existing Early Pay-in process by investors and custodians.

e) Shareholders should therefore ensure to give the instructions in the Depository systems well in advance to ensure all their DEMAT bids placed by the Trading Members are accepted before issue closure time.

f) Custodian(s) should deposit shares/ Units through the Early Pay-in mechanism provided by Depositories system before confirmation of the bid orders placed by the Trading Members the bids/ orders.

g) On the date of settlement all blocked equity shares will be transferred to the Clearing Corporation and the lien on the excess equity shares will be cancelled.

h) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the opening of the Offer.

i) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("**TRS**") generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.

j) The shareholders will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer

The shareholders holding Equity shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

8.10 **Procedure to be followed by the registered Shareholders holding Equity Shares in physical form**:

a) Shareholders who are holding physical equity shares and intend to participate in the offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out including the:

   i. The form of Acceptance-cum-Acknowledgement duly signed (by all equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;

   ii. Original Share Certificates;

   iii. Valid shares transfer form(s) 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 Target Company and duly witnessed at the appropriate place authorizing the transfer in favor of the Acquirer;

   iv. Self-attested copy of the Shareholder's PAN card;

   v. 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 Form of Acceptance-cum-Acknowledgement;
      - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
      - Necessary corporate authorizations, such as Board Resolutions etc., in case of companies.

   vi. In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the 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.

b) The Investor should approach the Seller Member (Trading Member of the Exchange) with his physical share certificate(s), transfer deed etc. as specified in the Letter of Offer/ Offer Documents/ Prospectus.

c) The Seller Member(s) should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Seller Member(s) to print the Transaction Registration Slip (TRS) generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.

d) The Seller Member/ Investor has to deliver the shares & documents along with TRS to the Registrar & Transfer Agent (RTA). Physical Share Certificates to reach RTA within 2 days of bidding by Seller Member.

e) The holders of physical equity shares shall ensure that the bidding form, together with the share certificate and transfer deed, is received by the share transfer agent appointed for the purpose before the last date of bidding period.

f) One copy of the TRS will be retained by RTA and RTA to provide acknowledgement of the same to the Seller Member/ Investor.

g) The Seller Member's shall be able to view in his terminal such physical share bids as Provisional bids.

h) The verification of physical certificates shall be completed on the day on which they are received by the RTA

i) The reasons for RTA rejection will be available as download to the Seller Member.

j) As and when the RTA confirms the records, such bids will be treated as confirmed and displayed on Exchange Website.

k) In the Seller Member's terminal such physical share bids will be moved from Provisional bids to confirmed bids.

l) On acceptance of physical shares by the RTA, the funds received from Buyer Member(s) by the Clearing Corporation (ICCL) will be released to the Seller Member(s) as per secondary market pay out mechanism.

m) Any excess physical shares pursuant to acceptance/ allotment or rejection will be returned back to the Investors directly by RTA.

8.11 Modification/Cancellation of orders will not be allowed during the period the Offer is open.

8.12 The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period.

8.13 Procedure for Tendering the Shares in case of Non-Receipt of this Letter of Offer:

Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified date, or those who have not received the letter of offer, may also participate in this Offer. A shareholder may participate in the Offer by approaching their broker and tender Equity shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Banker website (www.vccorporate.com) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity shares of the Target Company. Alternatively in case of non-receipt of this Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificates and Form SH-4 in case of shares being held in physical form. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the BSE before the closure of the Offer.

8.14 Non- receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, does not invalidate the Offer in any way.

8.15 The acceptance of the Offer made by the Acquirer is entirely at the discretion of the shareholders of the Target Company. The Acquirer does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this Offer. The Acquirer will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the shareholders are advised to adequately safeguard their interest in this regard.

8.16 Acceptance of Equity Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. The Acquirer shall accept those Equity Shares validly tendered by the Shareholders in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.

8.17 Settlement Process

a. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the shares in favor of Clearing Corporation.

b. The shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Shareholders. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned to the Shareholder(s) directly by Registrar to the Offer.

8.18 Settlement of Funds/ Payment Consideration

The settlement of fund obligation for demats and physical Equity Shares shall be effected through existing settlement accounts of Selling Broker. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Selling Broker / Custodian Participant will receive funds payout in their settlement bank account. The Selling Brokers / Custodian participants would pay the consideration to their respective clients. The funds received from Buying Broker by the Clearing Corporation will be released to the Selling Broker(s) as per secondary market pay-out mechanism. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling Shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations.

9. NOTE ON TAXATION

9.1. 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 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. 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 deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the 'Situs' of such shares. 'Situs of the shares is generally where a company is 'incorporated'. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be 'situated' in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act, 1961 ("**IT Act**").

9.2. Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates.

9.3. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to Securities Transaction Tax (STT) is set out below.

9.4. Taxability of capital gain in the hands of the Equity Shareholders:

i. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding ₹1,00,000/- (Indian Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018, are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018, will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

ii. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Equity Shareholders (except certain specific categories).

iii. Any applicable surcharge and education cess would be in addition to above applicable rates.

iv. In case of resident Equity Shareholders, in absence of any specific provision under the IT Act, the Acquirer shall not deduct tax on the consideration payable to resident Equity Shareholders pursuant to the Offer. However, in case of non-resident Equity Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Equity Shareholders. It is therefore recommended that the non-resident Equity Shareholder may consult their custodians/authorized dealer's/ tax advisors appropriately.

v. The tax implications are based on provisions of the IT Act as applicable as on date of this DLOF. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply.

vi. Notwithstanding the details given above, all payments will be made to the Equity Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Equity Shareholder shall remain of such Equity Shareholder and the said Equity Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE 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, THE EQUITY SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY EQUITY SHAREHOLDER AS A REASON OF THIS OFFER.

10. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No.– 2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 06.06.2022 to 17.06.2022.

i) Audited Annual Accounts of CIL for the financial years ended 31.03.2021, 31.03.2020, 31.03.2019 and the certified and un-audited financial statements for the nine months period ended 31.12.2021.

ii) Memorandum and Articles of Association of CIL including Certificate of Commencement of Business.

iii) Certified copy of the Family Arrangement / Memorandum executed between the Acquirer including his family members and entities controlled by them, members of Late Jugal Kishore Sarda Family, represented by sons and members of Ghanshyam Sarda Family.

iv) Certificate from Mr. Sankalp Sohaney (Membership No.: 434993), Partner of M/s. Begani & Begani, Chartered Accountants, (FRN: 010779C), having office at C-34/1, 2nd Floor, Near Digambar Jain Mandir, Tagore Nagar, Raipur- 492001, Tel. No.: 0771 2227242 / 4099889, Fax No.: 0771 4099888, Email: beganis@hotmail.com, vide their certificate dated January 27, 2022 certifying the networth of the Acquirer.

v) Certificate from Mr. Sankalp Sohaney (Membership No.: 434993), Partner of M/s. Begani & Begani, Chartered Accountants, (FRN: 010779C), having office at C-34/1, 2nd Floor, Near Digambar Jain Mandir, Tagore Nagar, Raipur- 492001, Tel. No.: 0771 2227242 / 4099889, Fax No.: 0771 4099888, Email: beganis@hotmail.com, vide their certificate dated April 08, 2022 certifying that sufficient resources are available with the Acquirer for fulfilling the obligations under this "Offer" in full.

vi) Copy of the letter received from IndusInd Bank Limited confirming the required amount kept in the escrow account.

vii) Copy of the Memorandum of Understanding between the Acquirer & the Manager to the Offer, dated 08.04 2022.

viii) Copy of the recommendations made by the Committee of Independent Director of the Target Company.

ix) Copy of the Public Announcement dated 08.04.2022 and published copy of the Detailed Public Statement dated 19.04.2022 and Issue of Opening Public Announcement dated _______________.

x) Copy of SEBI Observation letter no. ______________________ dated ______.

11. DECLARATION BY THE ACQUIRER:

In accordance with the regulation 25(3) of the SEBI (SAST) Regulations, the Acquirer accepts full responsibility jointly and severally for the information contained in the Public Announcement & Detailed Public Statement except that pertains to the Target Company and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations and the Acquirer would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

Sd/-
Kamal Kishore Sarda

Place: Raipur
Date: 26.04.2022