

SOURCE INDUSTRIES (INDIA) LIMITED

(CIN: L45400TG1984PLC004777)

Registered Office at: Flat No. 301, DBN Padmavathi Arcade, 6-3-709/A/10/A, Punjagutta Officers Colony, Punjagutta, Hyderabad - 500082, Telangana, India.

Contact No.: +91 40 42014389 • Email ID: source.investors@gmail.com • Website: www.sourceindustriesindia.com

This advertisement is issued by Mark Corporate Advisors Private Limited (“**Manager to the Offer**”) for and on behalf of Mr. Sudhir Reddy Posireddy (“**Acquirer 1**”), Mr. Naraharisetty Mohan Krishna (“**Acquirer 2**”), Mrs. Swathi Ramreddy (“**Acquirer 3**”) and Arka Defence Private Limited (“**Acquirer 4**”) (“**Acquirer 1**”, “**Acquirer 2**”, “**Acquirer 3**” and “**Acquirer 4**” hereinafter collectively referred to as “**Acquirers**”), pursuant to Regulation 18(7) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“**SEBI (SAST) Regulations, 2011**”), in respect of the Open Offer to acquire upto 34,00,000 Equity Shares of ₹10 each of Source Industries (India) Limited (“**Source**”/“**Target Company**”) at a price of ₹4.50 per equity share, representing 29.82% of the Voting Share Capital of the Target Company.

This Pre-Offer Advertisement should be read in continuation of, and in conjunction with the:

- (i) Public Announcement dated January 03, 2025 (“**Public Announcement**” or “**PA**”);
- (ii) Detailed Public Statement which was published on January 10, 2025 in the newspapers namely Business Standard (English), Business Standard (Hindi), Navshakti (Marathi) and Nava Telangana (Telugu) (“**Detailed Public Statement**”/“**DPS**”);
- (iii) Draft Letter of Offer dated January 17, 2025 (“**Draft Letter of Offer**”/“**DLoF**”);
- (iv) Letter of Offer dated March 29, 2025 (“**Letter of Offer**”/“**LoF**”).

The Equity Shareholders of the Target Company are requested to kindly note the following information related to the Open Offer:

- 1) **Offer Price:** The Open Offer is being made by the Acquirers to the Public Shareholders of Source Industries (India) Limited (“**Source**”/“**Target Company**”) to acquire up to 34,00,000 Equity Shares having face value of ₹10 each at a price of ₹4.50 per equity share (“**Offer Price**”), payable in cash. There has not been any revision in the Offer Price.
- 2) **Recommendation of the Committee of Independent Directors (“IDC”):** The Committee of Independent Directors (“**IDC**”) of the Target Company has issued recommendation (*relevant extract*) on the Offer, which was published on April 08, 2025 in the above-mentioned newspapers and the same are as under:

Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC is of the view that Open Offer is fair and reasonable.
Summary of reasons for recommendation	IDC has taken into consideration the following for making the recommendation: IDC has reviewed (a) The Public Announcement (“PA”) dated January 03, 2025 in connection with the Offer issued on behalf of the Acquirers; (b) The Detailed Public Statement (“DPS”) dated January 10, 2025; (c) The Draft Letter of Offer (“DLoF”) dated January 17, 2025; and (d) The Letter of Offer (“LoF”) dated March 29, 2025. Based on the review of PA, DPS, DLoF and LoF, the IDC is of the opinion that the Offer Price of ₹4.50 per equity share for public shareholders offered by the Acquirers (more than the highest price amongst the selective criteria mentioned under Justification of Offer Price) is in line with the regulation prescribed by SEBI under the Regulations and prima facie appears to be justified. However, the Public Shareholders should independently evaluate the Offer and take informed decision in the matter.

- 3) There was no Competitive Bid.
- 4) The dispatch of Letter of Offer to the Public Shareholders as on the Identified Date i.e., March 27, 2025 is in accordance with Regulation 18(2) of SEBI (SAST) Regulations, 2011 and has been completed (either through electronic mode or physical mode) on April 04, 2025. The Identified Date was relevant only for the purpose of determining the Public Shareholders to whom the LoF was to be sent. It is clarified that all the Public Shareholders (even if they acquire equity shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 5) A copy of the LoF is also available on the website of SEBI at www.sebi.gov.in and BSE at www.bseindia.com. A summary of the procedure for tendering of equity shares in the Open Offer is as below:
 - a) **In the case of Equity Shares held in physical form:** Public Shareholders holding Equity Shares in physical form may participate in the Open Offer through the relevant Selling Broker by providing name, address, distinctive numbers, folio numbers, number of Equity Shares held, number of Equity Shares tendered and other relevant documents as mentioned in paragraph 8.13 of the LoF along with duly filled and signed Form SH-4.
 - b) **In case of Equity Shares held in dematerialized form:** Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stockbrokers (“**Selling Broker**”) registered with BSE within the normal trading hours of the secondary market, during the Tendering Period in accordance with the procedure as mentioned in point no. 8.12 of the LoF.
 - c) **In case of non-receipt/non-availability of the form of acceptance/ withdrawal, the application can be made on plain paper along with the following details:**
 - In case of physical shares: Name, address, distinctive numbers, folio nos. number of shares tendered/withdrawn.
 - In case of dematerialized shares: Name, address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of delivery instruction in “off market” mode or counterfoil of the delivery instruction in “off market” mode, duly acknowledged by the DP in favour of the Depository Escrow Account.
- 6) The Open Offer will be implemented by the Acquirers 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, 2011 and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/ CIR/P/2016/131 dated December 09, 2016 and SEBI circular SEBI/HO/CFD/ DCRIII/CIR/P/2021/615 dated August 13, 2021, as amended, including any guidelines and circulars issued in relation to the same by the Stock Exchange, clearing corporations and SEBI (“**Acquisition Window Circulars**”).
- 7) All Documents/information referred under the “Documents for Inspection” will be made available electronically as well as physically for inspection by the Public Shareholder(s) of the Target Company.
- 8) The Final Observation Letter No. SEBI/HO/CFD-RAC-DCR2/P/ OW/2025/9166/1 dated March 25, 2025 and the comments received from SEBI

in terms of Regulation 16(4) of the SEBI (SAST) Regulations, 2011 have been duly incorporated in the Letter of Offer and also in this advertisement to the extent applicable.

- 9) There are no statutory approvals required by the Acquirers to complete this Offer. However, in case of any statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.
- 10) The marketable lot for the Equity Shares of the Target Company is 1 (One) Equity Share
- 11) The Equity Shares has been kept in a separate Demat Escrow Account titled ‘Source Industries (India) Limited Escrow Demat Account’. The Manager to the Offer has the right to operate the said Demat Escrow Account. Upon fulfilment of all the Open Offer related formalities, the said Securities will be transferred to the respective Demat Account of the Acquirers and the Demat Escrow Account will be closed thereafter.
- 12) Pursuant to Underlying Transaction mentioned in 3.1.2 above, the Acquirers are making this Open Offer in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 to acquire up to 34,00,000 Equity Shares having face value of ₹10 each, representing 29.82% of the Voting Share Capital of the Target Company at a price of ₹4.50 per Equity Share, aggregating to ₹1,53,00,000, payable in cash, subject to the terms and conditions set out in the PA, DPS and the LoF, which will be sent to the Eligible Equity Shareholders of the Target Company. Pursuant to the Underlying Transaction and upon completion of the Open Offer, the Acquirers will have control over the Target Company and will be classified as Promoters of the Target Company. The existing Promoters of the Target Company shall cease to be the Promoters of the Target Company and shall be classified as public shareholder in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations, 2015.
- 13) In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals specified in paragraph 7.4 of this LoF or those which become applicable prior to completion of the Open Offer are not received, for reasons outside the reasonable control of the Acquirers, then the Acquirers shall have the right to withdraw the Open Offer.
- 14) There are no regulatory actions/administrative warnings/directions subsisting or proceedings pending against Mark Corporate Advisors Private Limited (“**Manager to the Offer**”) under SEBI Act, 1992 and Regulations made thereunder or by any other Regulator.
- 15) There are no regulatory actions/administrative warnings/directions subsisting or proceedings pending against Bigshare Services Private Limited (“**Registrar to the Offer**”) under SEBI Act, 1992 and Regulations made thereunder or by any other Regulator.
- 16) There are no equity shares pledged by the Promoters/Promoter Group/Public Shareholders of the Target Company. Further, the Equity Shares of the Target Company acquired by the Acquirers shall be free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 17) As per Regulation 38 of the SEBI (LODR) Regulations, 2015 read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. As a result of the acquisition of Equity Shares in this Open Offer, the public shareholding in the Target Company will not fall below the minimum level required as per Rule 19A of the SCRR read with SEBI (LODR) Regulations, 2015, as amended.
- 18) The Object for acquisition of equity shares in the Target Company through Share Purchase Agreement is to enhance the stake in the Target Company and exercise control over the Target Company.
- 19) The Net worth of Acquirer 4 is ₹39.11 Lakhs as on December 24, 2024 as certified by CA Srinivas Reddy Mettu, (Membership No.: 254436), Partner, M/s KRYR & Associates., Chartered Accountants (FRN: 017232S) vide certificate dated December 24, 2024 having Office at Flat No. 302, MCR Complex, Ayyappa Housing Society, Madhapur, Hyderabad-500081, Telangana. Contact No. is +91 8790577058/+91 7095326936 and Email ID is srenucas@gmail.com
- 20) There are no Contingent Liabilities of Acquirer 4 as on December 23, 2024.
- 21) As on date, Acquirer 4 holds 2,00,000 Equity Shares representing 1.75% of the Equity Share Capital of the Target Company. Further, Acquirer 4 has entered into a Share Purchase Agreement (“**SPA**”) to acquire 1,56,100 equity shares representing 1.37% of the Equity Share Capital of the Target Company
- 22) As on the date, the Acquirers are holding in aggregate 27,83,271 equity shares representing 24.41% of the Equity share Capital of the Target Company.
- 23) Neither the Acquirers nor any of the Promoters/Directors of Acquirer 4 have any relationship with Promoters/Promoter Group/Directors and Public Shareholders of the Target Company. Further, there are no shareholders in the Target Company connected/acting in concert or deemed to be acting in concert with the Acquirers directly/indirectly.
- 24) Alpha Alliance LLP and Mr. Dalip Kumar Pradhan, as Ultimate Beneficial Owners of Arka Defence Private Limited (“**Acquirer 4**”) shall be classified as Promoter group of the Target Company, post the completion of the Open Offer formalities.
- 25) As on date, the Target Company is fully compliant with the listing requirements. Further, neither there has been any suspension of trading of equity shares nor any other penal/punitive action taken by BSE
- 26) As of the date of this LoF, there are no: (i) partly paid-up Equity Shares; (ii) equity shares are pledged; and (iii) outstanding convertible instruments (warrants/fully convertible debentures/partially convertible debentures) issued by the Target Company. Further, there is no differential pricing for the Offer.
- 27) There are no regulatory actions/administrative warnings/directions subsisting or proceedings pending against the (i) Promoters/Promoter Group of the Target Company; (ii) Directors of the Target Company; and (iii) the Target Company under SEBI Act, 1992 and regulations made thereunder or by any other Regulator.
- 28) There are no reports filed under Regulation 10(7) of SEBI (SAST) Regulations, 2011 by the existing Promoters/Promoter Group of the Target Company, during the financial year in which the Public Announcement has been made and in the last eight financial years period preceding to the financial year in which the Public Announcement has been made.
- 29) The Target Company is in compliance with the SEBI (LODR) Regulations, 2015, as amended, over the past ten (10) years, except for non-compliance under Regulation 33 of SEBI (LODR) Regulations, 2015, as amended, pertaining to the delayed submission of audited financial statements for the quarter and year ended March 31, 2017. A penalty of ₹40,250.00 was paid by the Target Company to BSE on March 19, 2025.

- 30) The Directors of the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other Regulations made under the SEBI Act, 1992.
- 31) Neither the Target Company, nor its Promoters/Promoter Group/Directors have any relationship with public shareholders of the Target Company.
- 32) The Registrar to the Offer will hold in trust the Form of Acceptance-cum-Acknowledgment, Equity Shares, and/or other documents on behalf of the Public Shareholders who have accepted the Offer, until the warrants/cheques/ drafts or payment made through electronic mode for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned/credited to the relevant Public Shareholders.
- 33) **Schedule of Activities:**

The Schedule of Activities have been revised and the necessary changes have been incorporated in the LoF. The Revised Schedule of Activities is in compliance with the applicable provisions of SEBI (SAST) Regulations, 2011 and the same is as under:

Sr. No.	Nature of Activity	Original Schedule	Revised Schedule ⁽¹⁾
		Day & Date	Day & Date
1)	Date of the Public Announcement	Friday January 03, 2025	Friday January 03, 2025
2)	Date of publishing the Detailed Public Statement	Friday January 10,2025	Friday January 10,2025
3)	Last date for filing of Draft Letter of Offer with SEBI	Friday January 17,2025	Friday January 17,2025
4)	Last date of a Competing Offer(s) ⁽²⁾	Friday, January 31, 2025	Friday, January 31, 2025
5)	Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	Friday, February 07, 2025	Tuesday, March 25, 2025 ⁽³⁾
6)	Identified Date ⁽⁴⁾	Tuesday, February 11, 2025	Thursday, March 27, 2025
7)	Last date by which the Letter of Offer will be dispatched to the Eligible Equity Shareholders as on the identified date	Tuesday, February 18, 2025	Friday, April 04, 2025
8)	Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	Friday, February 21, 2025	Tuesday, April 08, 2025
9)	Last Date for revising the Offer Price/number of shares	Monday, February 24, 2025	Wednesday, April 09, 2025
10)	Date of Public Announcement for Opening the Offer	Tuesday, February 25, 2025	Friday, April 11, 2025
11)	Date of Commencement of the Tendering Period (“ Offer Opening Date ”)	Thursday, February 27, 2025	Tuesday, April 15, 2025
12)	Date of Closing of the Tendering Period (“ Offer Closing Date ”)	Wednesday, March 12, 2025	Tuesday, April 29, 2025
13)	Last date for communicating Rejection/acceptance and payment of consideration for accepted equity shares or equity share certificate/ return of unaccepted share certificates/credit of unaccepted shares to Demat Account	Wednesday, March 26, 2025	Thursday, May 15, 2025

Notes:

- ⁽¹⁾ Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.
- ⁽²⁾ There is no competing offer to this Offer.
- ⁽³⁾ Actual date of receipt of SEBI observations on the DLoF.
- ⁽⁴⁾ Identified Date is only for the purpose of determining the names of the Eligible Shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the holders (registered or unregistered) of Equity Shares of the Target Company except the Acquirers and Promoter of the Target Company, are eligible to participate in this Offer any time during the tendering period of the Offer.

Issued by the Manager to the Offer:



Mark Corporate Advisors Private Limited
CIN: U67190MH2008PTC181996
404/1, The Summit Business Bay,
Sant Janabai Road (Service Lane),
Off W. E. Highway, Vile Parle (East), Mumbai - 400 057.
Tel. No.: +91 22 2612 3207/08
Contact Person: Mr. Manish Gaur
E-Mail ID: openoffer@markcorporateadvisors.com
Investor Grievance Email ID:
investorgrievance@markcorporateadvisors.com
SEBI Registration No.: INM000012128

For and on behalf of the Acquirers:

Sd/- Sudhir Reddy Posireddy ("Acquirer 1")	Sd/- Naraharisetty Mohan Krishna ("Acquirer 2")
Sd/- Swathi Ramreddy ("Acquirer 3")	Sd/- For Arka Defence Private Limited ("Acquirer 4") Swathi Ramreddy Authorised Signatory

Date : April 11, 2025
Place : Hyderabad