DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The Letter of Offer (*as defined below*) will be sent to you as a Public Shareholder (*as defined below*) of Tanfac Industries Limited. If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager (*as defined below*)/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was effected.

OPEN OFFER ("OPEN OFFER"/"OFFER")
BY
ANUPAM RASAYAN INDIA LIMITED
A public limited company incorporated under the laws of India
Regd. office: 8110, GIDC Industrial Estate, Sachin, District - Surat, Gujarat – 394230
Corporate Identity Number (CIN): L24231GJ2003PLC042988
(**Tel**: 261-2398991; **Fax**: 261-2398996)
(hereinafter referred to as the "**Acquirer**")

MAKES A CASH OFFER TO ACQUIRE UP TO 25,93,500 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("OFFER SHARES") AT A PRICE OF ₹ 595 PER EQUITY SHARE ("OFFER PRICE"), REPRESENTING 26.00% OF THE VOTING SHARE CAPITAL (*AS DEFINED BELOW*) IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AND SUBSEQUENT AMENDMENTS THEREOF ("SEBI (SAST) REGULATIONS") FROM THE PUBLIC SHAREHOLDERS (*AS DEFINED BELOW*)
OF
TANFAC INDUSTRIES LIMITED
Regd. office: Plot No.14, SIPCOT Industrial Complex, Kudikadu, Cuddalore, Tamil Nadu, 607005
Corporate Identity Number (CIN): L24117TN1972PLC006271
(**Tel**: 04142-239001/239002; **Fax**: 04142-239008)
Website: www.tanfac.com
(hereinafter referred to as the "**Target Company**")

1. This Open Offer is made pursuant to and in compliance with the provisions of Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. To the best of the knowledge of the Acquirer, there are no statutory or governmental approvals required for the consummation of the Open Offer. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and the Open Offer would also be subject to such other statutory or other governmental approval(s).
5. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
6. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares (*as defined below*), the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis 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 the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 only.
7. The Acquirer may withdraw the Open Offer in accordance with the terms and conditions specified in Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Draft Letter of Offer. In the event of a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 Working Days (*as defined below*) of such withdrawal, make a public announcement, in the same Newspapers (*as defined below*) in which the Detailed Public Statement (*as defined below*) was published, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such public announcement also will be sent to SEBI (*as defined below*), Stock Exchange (*as defined below*) and the Target Company at its registered office.
8. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last 1 Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer have acquired any Equity Shares during the Offer Period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the Escrow Amount; (ii) make a public announcement in the same Newspapers in which the DPS was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchange, and the Target Company at its registered office of such revision. Such revised Offer Price shall be payable by the Acquirer for all the Equity Shares validly tendered during the Tendering Period of the Open Offer.
9. **There has been no competing offer as of the date of this Draft Letter of Offer**.
10. **If there is a competing offer at any time thereafter, the offers under all subsisting bids will open and close on the same date**.

A copy of the Public Announcement (*as defined below*), the Detailed Public Statement, this Draft Letter of Offer are also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OPEN OFFER	REGISTRAR TO THE OPEN OFFER
Edelweiss Financial Services Limited 6th Floor, Edelweiss House Off. C.S.T Road, Kalina Mumbai 400 098. **Tel**: +91 22 4009 4400 **Fax**: +91 22 4086 3610 **Email**: tanfac.openoffer@edelweissfin.com **Contact person**: Lokesh Shah **SEBI Registration Number**: INM0000010650 **CIN**: L99999MH1995PLC094641	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083 **Tel**: +91 22 4918 6200 **Fax**: +91 22 4918 6195 **Website**: www.linkintime.co.in **Contact Person**: Mr. Sumeet Deshpande **E-mail**: tanfac.offer@linkintime.co.in **SEBI Registration Number**: INR000004058 **CIN:**U67190MH1999PTC118368

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

No.	Name of Activity	Schedule of Activities (Date and Day)#
1.	Issue of Public Announcement	Tuesday, 1 February 2022
2.	Publication of the DPS in Newspapers	Tuesday, 8 February 2022
3.	Last date for filing of the Draft Letter of Offer with SEBI	Tuesday, 15 February 2022
4.	Last date for public announcement for competing offer(s)	Wednesday, 2 March 2022
5.	Last date for receipt of comments from SEBI on the Draft Letter of Offer (in the event SEBI has not sought clarification or additional information from the Manager to the Open Offer)	Wednesday, 9 March 2022
6.	Identified Date*	Friday, 11 March 2022
7.	Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company whose names appear on the register of members on the Identified Date	Monday, 21 March 2022
8.	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Shareholders of the Target Company for this Open Offer	Thursday, 24 March 2022
9.	Last date for upward revision of the Offer Price and/or the Offer Size	Friday, 25 March 2022
10.	Date of publication of Open Offer opening public announcement, in the Newspapers	Friday, 25 March 2022
11.	Date of commencement of the Tendering Period	Monday, 28 March 2022
12.	Date of closure of the Tendering Period	Friday, 8 April 2022
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company	Wednesday, 26 April 2022
14.	Last date for publication of post Open Offer public announcement in the Newspapers	Wednesday, 4 May 2022

* *Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be sent. All the Public Shareholders (registered or unregistered) are eligible to participate in this Open Offer at any time prior to the closure of the Tendering Period.*

\# *The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to or post their corresponding dates subject to compliance with the SEBI (SAST) Regulations.*

RISK FACTORS

The risk factors set forth below are limited to this Open Offer, the Underlying Transaction and the Acquirer, and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of all the risks involved in the participation by Public Shareholders in this Open Offer, or in association with the Acquirer, but are merely indicative in nature. Public Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for understanding and analysing all risks associated with respect to their participation in this Open Offer.

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

1. Risks relating to the Open Offer and the Underlying Transaction:

- The Open Offer is an open offer under the SEBI (SAST) Regulations to acquire up to 25,93,500 Equity Shares representing 26.00% of the Voting Share Capital, from the Public Shareholders. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 25,93,500 Equity Shares, representing 26.00% of the Voting Share Capital. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted. The unaccepted Equity Shares will be returned to the Public Shareholders in accordance with the schedule of activities for the Open Offer.

- The consummation of the Underlying Transaction and the Open Offer is subject to the satisfaction of certain conditions precedent specified in the Share Purchase Agreement (as set out in paragraph 6(vi) of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer) (unless waived in accordance with the Share Purchase Agreement). In the event that either: (a) satisfaction of certain conditions precedent, are not obtained, granted or satisfied, or are delayed, as applicable; (b) there is any litigation leading to a stay/injunction on the Open Offer or that restricts/restrains the Acquirer from performing its obligations hereunder; or (c) SEBI instructs the Acquirer not to proceed with the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer or may be withdrawn in terms of Regulation 23 of the SEBI (SAST) Regulations. In case any statutory approval or other governmental approval that may be required by the Acquirer, is not received in time, SEBI may, if satisfied, grant an extension of time to the Acquirer for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest, if any, in accordance with the SEBI (SAST) Regulations. In addition, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. To the best of the knowledge of the Acquirer, there are no statutory or governmental approvals required for the consummation of the Transaction. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and the Underlying Transaction and the Open Offer would also be subject to such other statutory or other governmental approval(s). In case of delay in receipt of any other statutory approval that may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such non-receipt was not attributable to any wilful default, failure or neglect on the part of the acquirer to diligently pursue such approvals, grant an extension of time to the Acquirer for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations.

- The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserves their right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

- Equity Shares, once tendered in the Open Offer, cannot be withdrawn by the Public Shareholders, even if the acceptance of their Equity Shares in this Open Offer and payment of consideration are delayed. The Public Shareholders will not be able to trade in such Equity Shares which have been tendered in the Open Offer. During such period, there may be fluctuations in the market price of the Equity Shares. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares, both during the period that the Open Offer is open and upon completion of the Open Offer, and disclaim any responsibility with respect to any decision taken by the Public Shareholders with respect to whether or not to participate in the Open Offer. The Public Shareholders will be solely responsible for their decisions regarding their participation in this Open Offer.

- This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Draft Letter of Offer resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Open Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy in, any foreign jurisdictions covered under the "General Disclaimer" clause in Section II (*Disclaimer Clause*) of this Draft Letter of Offer and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.

- The information contained in this Draft Letter of Offer is as of the date of this Draft Letter of Offer unless expressly stated otherwise. The Acquirer and the Manager are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer.

- Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choice, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares to the Acquirer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer**.**

- In relation to the Open Offer, the Acquirer and the Manager to the Offer accept responsibility only for statements made by them in the PA, DPS, DLOF, LOF or in the post Open Offer advertisement or any corrigenda or any materials issued by or at the instance of the Acquirer, or the Manager to the Offer in relation to the Open Offer (other than (a) information pertaining to the Target Company which been obtained from publicly available sources or provided by the Target Company; and (b) information pertaining to the Sellers which has been obtained from the Sellers). Anyone placing reliance on any sources of information (other than as mentioned in this paragraph) would be doing so at his/her/its own risk.

- None of the Acquirer, the Manager or the Registrar to the Offer accept any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

2. Risks involved in associating with the Acquirer

- Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the financial performance of the Target Company or the continuance of past trends in the financial performance of the Target Company nor do they make any assurance with respect to the market price of the Equity Shares before, during or after the Open Offer. Each of the Acquirer and the Manager to the Offer expressly disclaim any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not in this Open Offer.

- The Acquirer make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.

- As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.

NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES

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

The Open Offer described in this DLoF is not being made to, nor will tender of shares be accepted from or on behalf of Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this DLoF are requested to inform themselves about and to observe any such restrictions

NOTICE TO SHAREHOLDERS IN UNITED STATES OF AMERICA

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Public Shareholders in the United States of America ("**U.S.**") should be aware that this DLOF and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this DLOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles.

CURRENCY OF PRESENTATION

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.

In this Draft Letter of Offer, all references to "₹" are references to Indian Rupees.

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I. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer	Anupam Rasayan India Limited
Acquisition Window	As has been defined in paragraph 4 of Section VIII (*Procedure For Acceptance And Settlement Of The Open Offer*) of this Draft Letter of Offer
Acquisition Window Circulars	As has been defined in paragraph 4 of Section VIII (*Procedure For Acceptance And Settlement Of The Open Offer*) of this Draft Letter of Offer
AFL	Axis Finance Limited
AIF	Alternative Investment Fund
AOP	Association of Persons
Amendment to the JVA	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
Buying Broker	Edelweiss Securities Limited
BOI	Body of Individuals
BSE	BSE Limited
Clearing Corporation	Indian Clearing Corporation Limited
Chartered Accountant	As has been defined in paragraph 3 of Section VI(B) (*Financial Arrangements*) of this Draft Letter of Offer
CKYC	Central Know Your Client
CDSL	Central Depository Services Limited
CSE	Calcutta Stock Exchange Limited
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The detailed public statement dated 7 February 2022, published on behalf of the Acquirer on 8 February 2022 in the Newspapers
Draft Letter of Offer/DLoF	This Draft Letter of Offer dated 15 February 2022 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
Deemed PACs	As has been defined in paragraph 5 of Section IV(A) (*Background of the Acquirer/PAC*) of this Draft Letter of Offer
DP	Depository Participant
DSE	Delhi Stock Exchange Association Limited
DTAA	Double Taxation Avoidance Agreement
Effective Date	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer

Particulars	Details/Definition
Equity Share(s)	Fully paid-up equity shares of the Target Company with face value of ₹ 10 each
Escrow Account	The account named "ARIL open offer escrow account" opened with the Escrow Agent in accordance with Regulation 17(4) of the SEBI (SAST) Regulations
Escrow Agent	Standard Chartered Bank, a banking corporation incorporated under the laws of India and having its head office at Crescenzo, 3A/F, Crescenzo, Plot no. C- 38 & 39, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Escrow Agreement	Escrow agreement dated 1 February 2022 entered into by the Acquirer with the Escrow Agent and the Manager
Escrow Amount	The amount aggregating to ₹ 1,54,31,32,500 maintained by the Acquirer with the Escrow Agent in accordance with the Open Offer Escrow Agreement
Form of Acceptance-cum-Acknowledgement	Form of acceptance-cum-acknowledgement, which will be a part of the Letter of Offer
Finance Act	The Finance Act, 2021
FATCA	Foreign Account Tax Compliance Act
FIIs	Erstwhile Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended
FIPB	Erstwhile Foreign Investment Promotion Board or the Foreign Investment Facilitation Portal, and which shall include the erstwhile Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and which shall include the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India
FPIs	Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
GAAR	General Anti Avoidance Rule
HACL	Hindustan Aluminium Corporation Limited
HUF	Hindu undivided family
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
Income Tax Act/IT Act	The Income Tax Act, 1961, as amended
IDT	Inter Depository Tender Offer
IST	Indian standard time
JVA	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
KRA	KYC Registration Agencies

Particulars	Details/Definition
KYC	Know your customer
Letter of Offer/LoF	The Letter of Offer dated [●], which shall be dispatched to the Public Shareholders of the Target Company
LTCG	Long term capital gains
MAT	Minimum alternate tax
MLI	Multilateral investment
MSE	Madras Stock Exchange Limited
Manager/Manager to the Open Offer/Manager to the Offer	Edelweiss Financial Services Limited
Newspapers	Financial Express (all editions), Jansatta (all editions), Makkal Kural (Chennai edition) and Navshakti (Mumbai edition) being the newspapers wherein the Detailed Public Statement was published on behalf of the Acquirer on 8 February 2022
NRE	Non-Resident External
NRIs	Non-resident Indians
NRO	Non-Resident (Ordinary)
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Offer/Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 25,93,500 Equity Shares, representing 26.00% of the Voting Share Capital, at a price of ₹ 595 per Equity Share
Offer Period	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations
Offer Price	₹ 595 per Offer Share payable in cash
Offer Shares	25,93,500 Equity Shares, representing 26.00% of the Voting Share Capital
Offer Size/Maximum Consideration	₹ 1,54,31,32,500, being the maximum consideration payable under this Open Offer assuming full acceptance
OCBs	Overseas Corporate Bodies
OSV	Original Seen and Verified
OTP	One-Time Password
IPV	In Person Verification
PA/Public Announcement	The public announcement dated 1 February 2022 issued by the Manager on behalf of the Acquirer, in connection with the Open Offer
PAN	Permanent Account Number

Particulars	Details/Definition
Public Shareholders	All the equity shareholders of the Target Company, excluding: (i) the Acquirer; (ii) the existing members of the promoter and promoter group of the Target Company; (iii) the parties to the JVA, Share Purchase Agreement and the Amendment to the JVA (as set out in paragraphs 2 and 3 of Section III(A)(*Background to the Open Offer*) of this Draft Letter of Offer, and (iv) the persons deemed to be acting in concert with the persons set out in (i) to (iii)
Put Option	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
Put Option Shares	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
Put Option Notice	As has been defined in paragraph 3 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
RBI	Reserve Bank of India
Relevant Period	1 February 2021 to 31 January 2022
Registrar/Registrar to the Open Offer/Registrar to the Offer	Link Intime India Private Limited
RTGS	Real Time Gross Settlement
SCCF	Standard Chartered Capital Finance
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Sellers	Certain individuals and entities disclosed members of the promoter and promoter group of the Target Company as per the shareholding pattern of the Target Company for the quarter ended 31 December 2021 namely: (i) Birla Group Holdings Private Limited; (ii) Pilani Investment and Industries Corporation Limited; and (iii) Askaran Agarwala, each of whom are parties to the Share Purchase Agreement
Selling Broker(s)	Respective stock brokers of all the Public Shareholders who desire to tender their Equity Shares under the Open Offer
Share Purchase Agreement/SPA	As has been defined in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
SPA Price	As has been defined in paragraph 2 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
STCG	Short term capital gains

Particulars	Details/Definition
STT	Securities Transaction Tax
Stock Exchange	BSE
Target/Target Company	Tanfac Industries Limited
Tendering Period	The 10 Working Days period from 28 March 2022 (Monday)) to 8 April 2022 (Friday) (both days inclusive) within which the Public Shareholders may tender their Equity Shares in acceptance of the Open Offer
TIDCO/ Continuing Promoter	Tamil Nadu Industrial Development Corporation Limited
Transaction	Collectively, the Underlying Transaction and the Open Offer
TRC	Tax Residency Certificate
Underlying Transaction	As has been defined in paragraph 4 of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer
VCF	Venture capital fund
Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis expected as of the 10th Working Day from the closure of the Tendering Period for the Open Offer i.e., 99,75,000 Equity Shares of the Target Company
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

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

II. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, EDELWEISS FINANCIAL SERVICES LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 15 FEBRUARY 2022 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER."

GENERAL DISCLAIMER

THIS DRAFT LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT THAT WAS PUBLISHED ON 8 FEBRUARY 2022 AND THE PUBLIC ANNOUNCEMENT DATED 1 FEBRUARY 2022 IN CONNECTION WITH THE OPEN OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS DRAFT LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER ARE GOVERNED BY SEBI (SAST) REGULATIONS, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS DRAFT LETTER OF OFFER IS AS OF THE DATE OF THIS DRAFT LETTER OF OFFER. THE ACQUIRER, THE MANAGER TO THE OPEN OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRER ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DRAFT LETTER OF OFFER.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE SENT TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY

ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED BY SUCH PUBLIC SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY.

PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN OFFER

III. DETAILS OF THE OPEN OFFER

A. Background to the Open Offer

1. This Open Offer is a mandatory open offer made by the Acquirer in compliance with Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the execution of the Share Purchase Agreement and Amendment to the JVA to acquire and exercise joint control of and over the Target Company and to be classified as a promoter of the Target Company along with the Continuing Promoter in accordance with the provisions of the SEBI (LODR) Regulations following the completion of the Underlying Transaction.

2. The Acquirer has entered into a share purchase agreement dated 1 February 2022 with the Sellers (the "**Share Purchase Agreement**" or "**SPA**"), pursuant to which the Acquirer has agreed to purchase 24,89,802 Equity Shares of the Target Company representing 24.96% of the Voting Share Capital from the Sellers and acquire joint control over the Target Company along with the Continuing Promoter, subject to the satisfaction of certain conditions precedent as set out under the SPA. The sale of such Equity Shares under the SPA is proposed to be executed at a price of ₹ 595 per Equity Share (the "**SPA Price**"). The SPA also sets forth the terms and conditions agreed between the Acquirer and the Sellers, and their respective rights and obligations.

3. TIDCO and HACL had executed a joint venture agreement dated 4 October 1980 ("**JVA**") pursuant to which TIDCO and HACL had set out the mutual rights and obligations as shareholders of the Target Company and with respect to the management and control of the Target Company. Birla Group Holdings Private Limited is the successor-in-interest to the rights and obligations of HACL under the JVA by virtue of acquisition of shares including through an order of the National Company Law Tribunal, Mumbai dated 9 May 2019, sanctioning the scheme of amalgamation and further by acting upon the terms and conditions of the JVA since the order of the National Law Tribunal, Mumbai. TIDCO, Birla Group Holdings Private Limited, the Acquirer and the Target Company have executed an amendment to the joint venture agreement dated 1 February 2022 ("**Amendment to the JVA**"), pursuant to which the Acquirer shall, on and from the date when the Acquirer completes the purchase of 24,89,802 Equity Shares of the Target Company from the Sellers ("**Effective Date**") in accordance with the terms and conditions under the SPA and in compliance with the SEBI (SAST) Regulations, have the right to exercise all the rights and obligations that Birla Group Holdings Private Limited is entitled to exercise under the JVA. Further, in terms of the Amendment to the JVA, after the Effective Date and subject to completion of the Open Offer, TIDCO has the right to require the Acquirer to purchase all the Equity Shares of the Target Company held by TIDCO (i.e., 25,95,000 Equity Shares representing 26.02% of the equity share capital of the Target Company) ("**Put Option Shares**") and the Acquirer has the obligation to purchase all the Put Option Shares from TIDCO ("**Put Option**") and in accordance with the pricing mechanism set out under the Amendment to the JVA by providing a written notice to the Acquirer ("**Put Option Notice**"). In the event TIDCO exercises its Put Option under the Amendment to the JVA, the Acquirer shall acquire the Put Option Shares in compliance with applicable law, including the SEBI (SAST) Regulations.

4. Since the Acquirer will acquire and exercise joint control of and over the Target Company pursuant to the Underlying Transaction and therefore, will be classified as a promoter of the Target Company along with the

Continuing Promoter in accordance with the provisions of the SEBI (LODR) Regulations following the completion of the Underlying Transaction, this mandatory Open Offer is being made by the Acquirer in compliance with Regulation 4 of the SEBI (SAST) Regulations. Further, the Sellers shall be declassified from the "promoter and promoter group" category of the Target Company subject to receipt of necessary approvals required in terms of Regulation 31A(10) of the SEBI (LODR) Regulations and the satisfaction of conditions prescribed therein. The Acquirer has no intention to delist the Target Company pursuant to this Open Offer.

The proposed acquisition of Equity Shares under the Share Purchase Agreement and the acquisition and exercise of joint control of and over the Target Company by the Acquirer and the Acquirer becoming a promoter along with the Continuing Promoter of the Target Company pursuant to the Share Purchase Agreement and Amendment to the JVA (as explained in paragraphs 2 to 4 of this Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer) is referred to as the "**Underlying Transaction**".

5. A tabular summary of the Underlying Transaction is set out below:

Details of Underlying Transaction						
Type of transaction (direct/ indirect)	**Mode of transaction (Agreement/ Allotment/ market purchase)** [(1)]	**Equity Shares/ Voting rights acquired/ proposed to be acquired**		**Total consideration for shares/ Voting Rights (VR) acquired (Rupees)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis-à-vis total Equity/ Voting Share Capital**			
Direct	1. **Share Purchase Agreement** – The Acquirer has entered into the SPA with the Sellers pursuant to which the Acquirer has agreed to acquire 24,89,802 Equity Shares of the Target Company and acquire joint control over the Target Company along with the Continuing Promoter, subject to the satisfaction of certain conditions precedent as set out under the SPA. 2. **Amendment to the JVA** – TIDCO, Birla Group Holdings Private Limited, the Acquirer and the Target Company have executed the Amendment to the JVA pursuant to which the Acquirer shall, on and from	Acquisition of 24,89,802 Equity Shares from the Sellers.	24.96% of the Voting Share Capital.	₹ 1,48,14,32,190	Cash.	Regulation 4 of the SEBI (SAST) Regulations.

Details of Underlying Transaction						
Type of transaction (direct/ indirect)	**Mode of transaction (Agreement/ Allotment/ market purchase)** [(1)]	**Equity Shares/ Voting rights acquired/ proposed to be acquired**		**Total consideration for shares/ Voting Rights (VR) acquired (Rupees)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis-à-vis total Equity/ Voting Share Capital**			
	the Effective Date, in accordance with the terms and conditions under the SPA and in compliance with the SEBI (SAST) Regulations, have the right to exercise all the rights and obligations that Birla Group Holdings Private Limited is entitled to exercise under the JVA.					

(1) Please refer to paragraphs 2 to 4 of Section III(A) (Background to the Open Offer) of this Draft Letter of Offer for further details in connection with the Underlying Transaction.

6. The key terms of the Share Purchase Agreement are set out below:

(i) The Purchaser (*as defined in SPA*) shall acquire joint control over the Target Company and shall be classified as the "promoter" of the Target Company in accordance with Regulation 31A of the SEBI (LODR) Regulations in respect of all the filings and disclosures made by the Company pursuant to applicable laws along with TIDCO.

(ii) Simultaneously along with the execution of the SPA, the Acquirer has executed an escrow agreement with Birla Group Holdings Private Limited (acting on behalf of the Sellers) and Standard Chartered Bank (acting as the escrow agent) and, within 5 Business Days *(as defined in the SPA)* from the date of execution of the SPA, the Acquirer shall deposit in the designated escrow account an amount equivalent to 100% of the Purchase Consideration *(as defined in the SPA)*.

(iii) Within a period of 10 calendar days from the date of completion of the Open Offer or such other date as mutually agreed to between the Acquirer and the Sellers, and subject to the Sellers providing the necessary information/documents as required under applicable law, the Acquirer and Sellers shall procure that the Target Company files an application with the Stock Exchange seeking its approval for declassification of the Sellers from the category of 'promoters / promoter group' of the Target Company, in accordance with Regulation 31A(10) of the SEBI (LODR) Regulations.

(iv) From the date of execution of SPA until the date of completion of acquisition or termination of the SPA, whichever is earlier, the Sellers shall, to the extent permitted under applicable laws; (i) procure that the Target Company shall operate in its Ordinary Course of Business (*as defined in the SPA*); and (ii) with the prior written consent of the Purchaser (which consent shall not be unreasonably withheld or delayed) if the matters are not in the Ordinary Course of Business and requires shareholders' approval under applicable law, such as: (a) change in capital structure; (b) transfer, alienation, sale or change in status of any tangible assets of the Target Company or any intellectual property; (c) making any loans, advance, incurring any indebtedness, incurring any capital expenditure, entering into or terminating any

material contract, of values as prescribed in the SPA.

(v) If completion of acquisition has not occurred by the Long Stop Date, i.e., 90 days from the date of SPA or such other date as mutually agreed, either Party shall have the right, but not the obligation, to terminate the SPA.

(vi) The obligation of the parties to proceed to Completion (*as defined in SPA*) under the SPA is subject to the fulfilment of the following key conditions precedent:

(a) the Sellers Warranties *(as defined in SPA)* being true, accurate and not misleading, in all respects as on the date of completion of acquisition of Equity Shares under SPA;

(b) the Purchaser Warranties *(as defined in SPA)* being true, accurate and not misleading, in all respects as on the date of completion of acquisition of Equity Shares under SPA;

(c) the Sellers having performed and complied with all covenants, obligations and conditions contained in SPA, in all respects, that are required to be so performed or complied with by the Sellers, as applicable at or before the date of completion of acquisition of Equity Shares under the SPA;

(d) the Acquirer having performed and complied with all agreements, covenants, obligations, representations and warranties required by the SPA, in all respects, to be so performed or complied with by the Acquirer, as applicable at or before the date of completion of acquisition of Equity Shares under SPA;

(e) the Acquirer having issued a joint communication with the Sellers to the Escrow Agent *(as defined in the SPA)* to release the funds from the Purchase Consideration Escrow Account *(as defined in the SPA)* to the Sellers;

(f) each of the Sellers having provided to the Acquirer a report, in a form acceptable to the Acquirer, from a reputed chartered accountant confirming that there are no tax proceedings, notices or claims pending against any of the Sellers that could result in any tax authority exercising or claiming to have any rights in relation to any of the Sale Shares *(as defined in the SPA)* under Section 281 of the Income Tax Act, 1961 that may render the transfer of any of the Sale Shares *(as defined in the SPA)* by the Sellers to the Acquirer void along with the screenshots of the income-tax web portal and TDS Reconciliation Analysis and Correction Enabling System (TRACES) web-portal reflecting the same (as of the date of such Section 281 report) as annexures thereto;

(g) Birla Group Holding Private Limited, TIDCO, the Acquirer and the Target Company execute, the Amendment to the JVA on the date of execution of the SPA;

(h) the resignation letters of director(s) appointed by the Sellers to the board of directors of the Target Company acknowledging that they have no claim against the Company, whether for loss of office or otherwise being in Agreed Form *(as defined in SPA*);

(i) each of the Sellers having issued an unqualified waiver that they do not have any outstanding claims and/or liabilities which are owed by the Target Company pursuant to the articles of association or otherwise being in Agreed Form (*as defined in SPA*); and

(j) the Acquirer having deposited the entire consideration payable in the Open Offer (assuming full acceptance of the Open Offer) in an escrow account as contemplated in Regulation 22(2) of the SEBI (SAST) Regulations within 33 Working Days from the date of publication of the Detailed Public Statement.

(vii) On date of completion of acquisition:

(a) the Sellers' Representative shall: (i) cause the Seller Nominee(s) to tender resignation letter(s) to the Company; and (ii) deliver a copy of such resignation letter(s) to the Purchaser.

(b) the Purchaser shall nominate the directors on the Board of the Company (*as defined in SPA*).

7. The salient features of the JVA read with the Amendment to the JVA are set out below:

(i) Neither TIDCO nor the Acquirer shall transfer, sell or encumber in any manner whatsoever their shareholding in the Target Company without the consent of the other party during the continuance of the JVA. The constituents of either of the parties shall not effect any transfer of shares *inter se* during the continuance of the JVA without the consent in writing of the other party.

(ii) If either TIDCO or the Acquirer desires to part with or transfer their shareholding or any part thereof in the equity share capital of the Target Company such party shall give first option to the other party for the purchase of such Equity Shares and the price payable in respect of such Equity Shares to be sold or transferred shall be as set out in the JVA read with the Amendment to the JVA.

(iii) So long as TIDCO holds 26% of the equity share capital of the Target Company and the Acquirer and its associates hold 25% of the total equity share capital of the Target Company, both the parties shall be entitled to have equal representation on the board of directors of the Target Company.

(iv) TIDCO shall have the right to appoint the chairman of the Target Company and the chairman shall have a casting vote in addition to his own vote.

(v) The Acquirer shall have the right to appoint the managing director of the Target Company.

(vi) So long as the Acquirer holds not less than 25% of the equity share capital of the Target Company, the management shall vest, subject to the direction of the board of directors in the managing director.

(vii) The management of the day-to-day affairs of the Target Company shall vest with the managing director who shall exercise his powers of management under the general superintendence, control and subject to any directions from time to time given or imposed by the board of directors of the Target Company.

(viii) Upon completion of the Effective Date and subject to completion of the Open Offer, TIDCO has the right to require the Acquirer to purchase the Put Option Shares and the Acquirer has the obligation to purchase all the Put Option Shares from TIDCO in accordance with the pricing mechanism set out under the Amendment to the JVA *i.e.*, the highest price elected by TIDCO of the following prices:

(a) The price being the sum of the paid up value of the shares and of interest compounded yearly at the rate of 10% p.a. from the date of investment (i.e., as set out in the Annexure to the Amendment to the JVA) less dividends declared by the Company (*as defined in Amendment to the JVA*), up to the date of the Put Option Notice;

(b) The price being the value of the shares as determined by the Auditors of the Company (*as defined in the Amendment to the JVA*) on the basis of the net worth certificate of the Company (*as defined in the Amendment to the JVA*) as at date ending immediately prior to the Put Option Notice date;

(c) The price being the average price of the shares ruling on the stock exchange / exchanges on which the shares are quoted for the preceding three months and ending on the date immediately before the date of the Put Option Notice;

(d) The closing price of the shares on the stock exchange on the date preceding the date of the Put Option Notice;

(e) The price of ₹ 270.00 per equity share;

(f) The price paid by the Acquirer to BGHPL/Sellers for acquiring the 24,89,802 equity shares of ₹ 10.00 each aggregating to 24.96% of the issued and paid up capital of the Company (*as defined in the Amendment to the JVA*); or

(g) The price at which any open offer is made.

8. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be dispatched to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

9. In accordance with Regulation 26(7) of the SEBI (SAST) Regulations, the committee of independent directors of the Target Company is required to provide their written reasoned recommendations on the Open Offer to the Public Shareholders and such recommendations are required to be published in the specified form at least 2 Working Days before the commencement of the Tendering Period.

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

B. Details of the proposed Offer

1. This Open Offer is a mandatory open offer made by the Acquirer in compliance with Regulation 4 and other applicable regulations of the SEBI (SAST) Regulations, pursuant to the execution of the Share Purchase Agreement and the Amendment to the JVA to acquire and exercise joint control of and over the Target Company and to be classified as a promoter of the Target Company along with TIDCO, a continuing promoter of the Target Company, in accordance with the provisions of the SEBI (LODR) Regulations following the completion of the Underlying Transaction. The PA announcing the Open Offer, under Regulation 4 read with Regulations 13(1) and 14(1) of the SEBI (SAST) Regulations, was sent to the Stock Exchange on 1 February 2022. Please refer to Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer for further information on the Share Purchase Agreement.

2. The Acquirer has executed the Share Purchase Agreement with the following parties who have agreed to sell all the Equity Shares held by them in the Target Company: (i) Birla Group Holdings Private Limited; (ii) Pilani Investment and Industries Corporation Limited; and (iii) Askaran Agarwala,

3. None of the Sellers have been prohibited by SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the SEBI Act or any other regulations made under the SEBI Act.

4. The Public Announcement in connection with the Open Offer was filed on 1 February 2022 with the Stock Exchange. The Public Announcement was sent to the Target Company and SEBI with a letter dated 1 February 2022.

5. In accordance with Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement was published in the following Newspapers on 8 February 2022:

Newspaper	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Makkal Kural	Tamil	Chennai edition

Newspaper	Language	Editions
Navshakti	Marathi	Mumbai edition

Simultaneously, a copy of the Detailed Public Statement was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; and (iii) the Target Company.

6. A copy of the Public Announcement and the Detailed Public Statement is / will also be available on the website of SEBI (www.sebi.gov.in).

7. This Open Offer is being made by the Acquirer to the Public Shareholders to acquire up to 25,93,500 Equity Shares constituting 26.00% of the Voting Share Capital, at a price of ₹ 595 per Equity Share, subject to the terms and conditions mentioned in the Public Announcement, the DPS and to be set out in the Letter of Offer that is proposed to be issued in accordance with the applicable provisions of the SEBI (SAST) Regulations, after incorporating the comments of SEBI, if any, on the draft Letter of Offer.

8. As on the date of this DLoF, there are no: (i) partly paid up Equity Shares; or (ii) outstanding instruments in the nature of warrants or fully or partly convertible debentures/preference shares/ employee stock options etc., which are convertible into Equity Shares at any later date; or (iii) Equity Shares of the Target Company which are forfeited or kept in abeyance; or (iv) Equity Shares which are locked-in.

9. The Equity Shares are listed on the Stock Exchange.

10. There is no differential pricing for this Open Offer.

11. The Offer Price has been arrived at in accordance with Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer in accordance with the SEBI (SAST) Regulations will be ₹ 1,54,31,32,500.

12. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the DPS and the Letter of Offer that will be sent to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.

13. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders, is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 25,93,500 Equity Shares, representing 26.00% of the Voting Share Capital, in consultation with the Manager to the Open Offer.

14. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

15. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Open Offer and submit such approvals, along with the other documents required to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be

tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

16. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to acquire the Offer Shares that are validly tendered pursuant to this Open Offer. If, however, any statutory or other approval becomes applicable prior to the completion of this Offer, this Offer would also be subject to such statutory or other approval(s) and the Acquirer shall make necessary applications for such approvals. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that the approvals which become applicable prior to completion of this Offer are not received, the Acquirer shall have the right to withdraw this Offer. In the event of withdrawal of this Open Offer, a public announcement will be made within 2 Working Days of such withdrawal, in accordance with the provisions of Regulation 23(2) of the SEBI (SAST) Regulations.

17. Paragraph 6(vi) of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer sets out the details of the conditions precedent stipulated in the Share Purchase Agreement which, if not met for reasons outside the reasonable control of the Acquirer, may lead to the Transaction being withdrawn in accordance with Regulation 23 of the SEBI (SAST) Regulations. In the event that any of the conditions precedent stipulated in the respective Share Purchase Agreement are not met for reasons outside the reasonable control of the Acquirer, then the respective Share Purchase Agreement may be rescinded, and this Open Offer may be withdrawn, subject to applicable law.

18. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.

19. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.

20. The Acquirer has not acquired any Equity Shares of the Target Company between the date of the Public Announcement, i.e., 1 February 2022 and the date of this Draft Letter of Offer.

21. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

22. Subsequent to the completion of the Offer, the Acquirer along with TIDCO reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger/delisting of the Equity Shares of the Target Company from the Stock Exchange and/or sale of assets or undertakings, at a later date. The Acquirer along with TIDCO may also consider disposal of or otherwise encumbering any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring and/or renegotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company whether within or outside the ordinary course of business, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

23. As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A

of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.

24. The Manager to the Open Offer does not hold any Equity Shares of the Target Company. The Manager to the Open Offer shall not deal, on its own account, in the Equity Shares of the Target Company during the Offer Period.

C. Object of the Open Offer

1. The Open Offer is being made under Regulation 4 of the SEBI (SAST) Regulations since the Acquirer has entered into the Underlying Transaction to acquire and exercise joint control of and over the Target Company and to become a promoter of the Target Company along with the continuing member of the promoter and promoter group of the Target Company i.e., TIDCO. The purpose of acquisition of joint control of and over the Target Company is to expand the product series under fluorination chemistry of the Acquirer which is in line with the Acquirer's strategy of inorganic growth. The Acquirer has identified the Target Company as a suitable target considering complementary nature of business of both the Target Company and the Acquirer. The Target Company provides synergies in the form of backward integration for the Acquirer which will create significant value over the period. Following the completion of the Open Offer, the Acquirer intends to support the management of the Target Company in their efforts towards the sustained growth of the Target Company.

2. Subsequent to the completion of the Open Offer, the Acquirer along with TIDCO reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, buybacks, merger, demerger/delisting of the Equity Shares of the Target Company from the Stock Exchange and/or sale of assets or undertakings, at a later date. The Acquirer along with TIDCO may also consider disposal of or otherwise encumbering any assets or investments of the Target Company or any of its subsidiaries, through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, investments or liabilities of the Target Company and/or its subsidiaries, whether within or outside the ordinary course of business, to improve operational efficiencies and for other commercial reasons. The board of directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law.

D. Shareholding and Acquisition Details

1. The current and proposed shareholding of the Acquirer in the Target Company and the details of their acquisition are as follows:

Details	Acquirer	
	No.	**%**
Shareholding as on the PA date.	Nil	Nil
Shares acquired between the PA date and the DPS date.	Nil	Nil
Post Offer shareholding as of 10th Working Day after the closure (assuming no Equity Shares tendered in the Open Offer).	24,89,802 Equity Shares	24.96% of the issued and outstanding equity share capital of the Target Company.
Post Offer shareholding as of 10th Working Day after the closure of the open Offer (assuming the entire 26.00% is tendered in the Open Offer).	50,83,302 Equity Shares	50.96% of the issued and outstanding equity share capital of the Target Company.

2. The Acquirer and its directors and key employees do not have any shareholding in the Target Company as on the date of this Draft Letter of Offer.

IV. BACKGROUND OF THE ACQUIRER/PAC

A. Details of Anupam Rasayan India Limited (Acquirer):

1. The Acquirer is a public company limited by shares, incorporated under the Companies Act, 1956, (Corporate Identity Number: L24231GJ2003PLC042988) on 30 September 2003. There has been no change in the name of the Acquirer since its incorporation. The contact details of the Acquirer are as follows: telephone number: 261-2398991; fax number: 261-2398996.

2. The Acquirer has its registered office at 8110, GIDC Industrial Estate, Sachin, District - Surat, Gujarat – 394230.

3. The Acquirer is primarily engaged in the business of custom synthesis and manufacturing of speciality chemicals in India.

4. The Acquirer does not belong to any group.

5. No person is acting in concert with the Acquirer for the purpose of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("**Deemed PACs**"), however, such Deemed PACs are not acting in concert with the Acquirer for the purpose of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

6. The authorized share capital of the Acquirer is ₹ 1,25,00,00,000 which comprises of 12,50,00,000 fully paid-up equity shares of face value of ₹ 10 each.

7. The issued, subscribed and paid-up share capital of the Acquirer is ₹ 100,20,96,630 comprising of 10,02,09,663 fully paid up equity shares of face value of ₹ 10 each.

8. The equity shares of the Acquirer are listed on the Stock Exchange (Scrip Code: 543275) and NSE (Symbol: ANURAS) since 24 March 2021.

9. The closing market price on 14 February 2022 of the equity shares of the Acquirer on BSE and NSE respectively is as follows:

Stock exchange	Closing price on 14 February 2022
BSE	922.40
NSE	922.55

10. The Acquirer is in compliance with the corporate governance requirements under the SEBI (LODR) Regulations.

11. Ms Suchi Agarwal is the company secretary and compliance officer of the Acquirer and the relevant details of the compliance officer are as follows: Anupam Rasayan India Limited, 8110, GIDC Sachin, Surat, Gujarat – 394230 Phone: +91 261 2398992 E-mail: investors@anupamrasayan.com.

12. The shareholding pattern of the Acquirer as on 31 December 2021 is set out below:

Sr. No.	Shareholders' category	Number of shares	% of shares
1.	Promoters and Promoter Group	6,53,44,896	65.40
2.	FII/ Mutual-Funds/FIs/Banks / VCF / AIF	90,77,194	9.08
3.	Other Public Shareholders	2,55,00,301	25.52

4.	Non-Promoter Non-Public	-	-
Total:		9,99,22,391	100.00

13. The details of key shareholders of the Acquirer holding more than 1% of the total issued, subscribed and paid up share capital of the Acquirer as on 31 December 2021 are set out below:

Name of the shareholder	Part of the Promoter Group of the Acquirer	Number of shares as on 31 December 2021	% of the total issued, subscribed and paid up share capital as on 31 December 2021
Kiran Pallavi Investments LLC	Yes	3,62,06,896	36.24%
Milan Ramesh Thakkar	No	1,95,69,000	19.58%
Anand Sureshbhai Desai	Yes	1,12,73,440	11.28%
Shraddha Anand Desai	Yes	77,86,435	7.79%
Rehash Industrial and Resins Chemicals Private Limited	Yes	53,12,500	5.32%
Mona Ananadbhai Desai	Yes	41,40,625	4.14%
Aditya Birla Sun Life Trustee Private Limited	No	22,77,467	2.28%
Nomura India Investment Fund Mother Fund	No	10,79,611	1.08%
Fidelity Funds – India Focus Funds	No	13,35,248	1.34%
Max Life Insurance Company Limited A/C- ULIF01213	No	10,56,035	1.06%
Panna Divyesh Vaidya	Yes	6,24,900	0.63%
Meenaben Bharatbhai Desai	Yes	100	0.00%
Total:		**9,06,62,257**	**90.73%**

***Note**:, 2,87,272 fully paid-up equity shares of face value of ₹ 10/- each were allotted on 20 January 2022 under the Anupam - Employees Stock Option Plan 2020 (**"ESOP Scheme 2020"**).*

14. The Acquirer, its directors and key employees do not have any relationship with or interest in the Target Company except for the Underlying Transaction, as detailed in Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer, that has triggered this Open Offer.

15. The Acquirer does not hold any Equity Shares in the Target Company. The Acquirer has not acquired any Equity Shares of the Target Company between the date of the Public Announcement, i.e., 1 February 2022 and the date of this Draft Letter of Offer.

16. As on the date of this Draft Letter of Offer, none of the directors of the Acquirer are on the board of directors of the Target Company.

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

18. Neither the Acquirer nor its directors or key employees are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.

19. Neither the Acquirer nor its directors or key employees are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

20. The details of the board of directors of the Acquirer, as on the date of this Draft Letter of Offer, are as follows:

Name of the Director	Initial Date of Appointment	DIN	Qualifications and Experience
Kiran Chhotubhai Patel	9 January 2019	08051053	Dr. Kiran Chhotubhai Patel, Chairman of the Acquirer, is an entrepreneur experienced in the healthcare, pharma and real estate sector. Dr. Patel holds a school certificate incorporating a general certificate of education from the University of Cambridge and general certificate of education from the University of London. He holds a degree in bachelor of medicine and bachelor of surgery from Gujarat University. Further, Dr. Patel holds diploma certificates in the speciality of internal medicine and the subspecialty of cardiovascular disease from the American Board of Internal Medicine. He completed his fellowship in affiliation with the Columbia University of New York in 1982 and served as a cardiovascular fellow at the Overlook Hospital from 1980 to 1982. Dr. Patel served on the house staff of Jersey City Medical Center in the capacity as resident, internal medicine, from 1978 till 1980. He was elected as a fellow of the American College of Cardiology in 1993. He has been certified to practice medicine in the state of Florida by the Department of Professional Regulation, State of Florida. Dr. Kiran Chhotubhai Patel is a promoter director on the boards of Rudraksh Academy Private Limited, Solace Healthcare Private Limited, nominee director on the boards of Magenta EV Solutions Private Limited and Axiom Energy Conversion Limited. He is the Managing Director and Chairman of Morphogenesis Inc., Florida, USA and the Chairman of Concept Medical Inc., Delaware, USA.
Mona Anand Desai	30 September 2003	00038429	Mona Anand Desai is the Vice Chairman of the board of directors and an Executive Director of the Acquirer. She has been on the board of the Acquirer since its incorporation in 2003. She holds a bachelor's degree in home science from Shreemati Nathibai Damodar Thackersey Women's University, Mumbai. She is also a director on the board of Rehash Industrial and Resins Chemicals Private Limited. She has over 18 years of experience in the Acquirer and is involved in the day today running of the business of the Acquirer.
Anand Sureshbhai Desai	30 September 2003	00038442	Mr. Anand Sureshbhai Desai is the Managing Director of the Acquirer. He has been associated with the Acquirer since 1992 and has been appointed as a director of the Acquirer since its incorporation. He has passed the final semester examination of the bachelor's degree in science from Vinobha Bhave University. He has over 28 years of experience in the field of speciality chemicals industry and has been actively involved in the day to day running of the Acquirer. He was also appointed as zonal chairman of Confederation

Name of the Director	Initial Date of Appointment	DIN	Qualifications and Experience
			of Indian Industry (CII) in 2020-21 and has been appointed as the vice-chairman of Gujarat State Council of CII in 2021-2022. Mr Anand Desai has also been appointed on board of Rehash Industrial and Resins Chemicals Private Limited and Globe Enviro Care Limited.
Milan Ramesh Thakkar	10 October 2018	02470961	Mr. Milan Ramesh Thakkar is a Non-Executive Director on the board of the Acquirer. He has been associated with the Acquirer since 2018 as an additional Non-Executive Director and was regularised pursuant to approval of the Board by resolution dated September 30, 2019. He is also a director on the boards of Arochem Industries Private Limited and Nanavati Developers Private Limited.
Vijay Kumar Batra	9 November 2020	00038275	Mr. Vijay Kumar Batra is an Independent Director of the Acquirer. He has completed an executive development program from Wharton School of the University of Pennsylvania and holds a bachelor's degree in chemical engineering from Indian Institute of Technology, Delhi. Mr. Vijay Kumar Batra has been a member of the board of directors of the Flow Chemistry Society India chapter and is a member of Institute of Chemical Engineers. He was the managing director of Regent Drugs Limited. He was previously associated with Albany Molecular Research, Hyderabad Research Centre Private Limited as the managing director. Mr. Vijay Kumar Batra has also served as the president and the director of J.K. Drugs and Pharmaceuticals Limited. He has also been a consultant to various companies involved in the pharmaceutical sector.
Vinesh Prabhakar Sadekar	9 November 2020	00046815	Mr. Vinesh Prabhakar Sadekar is an Independent Director of the Acquirer. He holds a bachelor's degree in chemical engineering from University of Bombay. Mr. Vinesh Prabhakar Sadekar was a member of the executive committee and the chairman of human resources committee of Organisation of Pharmaceuticals Producers of India. He was elected as an honorary fellow of the Indian Institute of Chemical Engineers. Mr. Vinesh Prabhakar Sadekar was previously associated with Navin Fluorine International Limited and Cheminova India Limited as a managing director. He has served as the president designate - Searle (I) Ltd. He is the founding partner of KT Energy Solutions LLP. He received the "outstanding achiever award for 1996" from RPG Enterprises. He is also appointed on the boards of Ineos Styrolution India Limited and Enpro Industries Private Limited.
Hetul Krishnakant Mehta	9 November 2020	01650314	Mr. Hetul Krishnakant Mehta is an Independent Director of the Acquirer. He holds a diploma degree in chemical engineering from Bharati

Name of the Director	Initial Date of Appointment	DIN	Qualifications and Experience
			Vidyapeeth, Jawaharlal Nehru Institute of Technology, Dhankawadi, Pune (Maharashtra State board of Technical Education). Mr. Hetul Krishnakant Mehta is a founding director of Praveen Laboratories Private Limited and Advanced Diabetes Centre Private Limited. He has published a patent application in relation to process for preparation of clopidogrel polymorphous form 1 using seed chrystals. Mr. Mehta is also on the board of directors of Globe Enviro Care Limited.
Namrata Dharmendra Jariwala	4 December 2020	08974528	Dr. Namrata Dharmendra Jariwala is an Independent Director of the Acquirer. She holds a Doctor of Philosophy degree in civil engineering from Sardar Vallabhbhai National Institute of Technology, Surat, and holds a master's degree and a bachelor's degree in engineering (civil) from the Maharaja Sayajirao University of Baroda. She is currently an assistant professor at Sardar Vallabhbhai National Institute of Technology, Surat, and has been appointed as a lecturer here in the past as well. She has published certain research papers in various journals. She has been a part of various consultancy projects assigned by Sardar Vallabhbhai National Institute of Technology.

21. The brief financial information of the Acquirer based on its audited consolidated financial statements as on and for the financial years ended on 31 March 2019, 31 March 2020 and 31 March 2021 and unaudited consolidated financial results for the six-month period ended 30 September 2021 (limited review by the statutory auditor of the Acquirer as per SEBI (LODR) Regulations), is as follows:

(₹ in Million, except per share data)

Profit and Loss Statement	For the period/financial year ended on			
	Six month period from 1 April 2021 to 30 September 2021	**31 March 2021**	**31 March 2020**	**31 March 2019**
Revenue from Operations (a)	4,826.05	8,108.88	5,288.80	5,024.46
Other Income (b)	105.25	264.33	108.79	181.44
Total Revenue (a)+(b)	4,931.30	8,373.21	5,397.58	5,205.89
EXPENSES:				
Cost of Materials Consumed	3,148.68	4,693.57	2,956.37	2,309.47
Purchase of Stock in Trade	-	-	5.18	394.11

Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	(1,377.64)	(1,303.95)	(856.22)	927.46
Employee Benefits Expense	236.38	324.43	210.88	182.35
Finance Costs	118.27	685.43	452.61	266.66
Depreciation, Amortization and Impairment Expense	291.94	516.52	287.12	243.10
Other Expenses	1,572.03	2,457.18	1,624.96	225.28
Total Expenses	3,989.65	7,373.18	4,680.92	4,548.41
Profit before exceptional items and tax	941.65	1,000.04	716.67	657.48
Profit Before Tax	941.65	1,000.04	716.67	657.48
Share of net Profit/(Loss) of associates	(0.34)	-	-	(9.61)
Profit after share of profit of associates	941.31	1,000.04	716.67	647.87
Tax Expenses				
Current tax	179.05	177.28	129.16	119.95
Deferred tax	80.53	52.99	55.45	35.19
Short Provision of Tax Expenses of earlier year(s)	-	66.80	-	-
Profit after tax for the year before Other Comprehensive Income	681.73	702.96	532.06	492.73

(₹ in Million, except per share data)

Balance Sheet	**For the period/financial year ended on**			
	Six month period from 1 April 2021 to 30 September 2021	**31 March 2021**	**31 March 2020**	**31 March 2019**
Property, Plant and Equipment	11,518.33	10,656.01	9,252.68	6,676.64
Rights-of-Use Assets	368.56	378.79	392.82	
Capital Work-in-Progress	297.77	432.24	1,009.47	1,829.62
Intangible Assets	115.32	115.87	127.93	132.29
Financial Assets				
Investments	(0.12)	0.22	4.00	8.71
Loans and Advances		-	-	-
Other Financial Assets	64.32	32.49	29.83	33.40
Other Non-Current Assets	164.51	217.90	308.61	332.95
Total Non-Current Assets	**12,528.70**	**11,833.52**	**11,125.34**	**9,013.62**

Inventories	6,497.40	4,922.17	2,970.43	1,953.71
Financial Assets				
Trade Receivables	2,164.77	2,054.89	1,294.94	1,205.93
Cash & Cash Equivalents	107.23	2,411.66	200.19	18.46
Other Bank Balance	229.99	545.41	68.12	52.17
Loans	117.39	114.36	251.67	186.59
Other Financial Assets	417.94	379.60	158.66	190.33
Other Current Assets	327.19	718.43	573.56	527.53
Total Current Assets	**9,861.90**	**11,146.52**	**5,517.57**	**4,134.73**
TOTAL ASSETS	**22,390.60**	**22,980.04**	**16,642.91**	**13,148.35**
Equity Share Capital	999.22	999.22	500.00	500.00
Other Equity	15,382.63	14,734.80	5,435.31	4,566.84
Total Equity	**16,381.85**	**15,734.02**	**5,935.31**	**5,066.84**
Financial Liabilities				
Borrowings	1,893.48	2,473.89	5,247.38	4,552.09
Lease Liabilities	293.26	322.32	329.61	-
Deferred Tax Liabilities (Net)	324.34	243.82	190.83	135.38
Total Non-Current Liabilities	**2,511.09**	**3,040.02**	**5,767.82**	**4,687.47**
Financial Liabilities				
Borrowings	557.86	433.28	2,371.12	1,544.10
Lease Liability	49.81			
Trade Payables:				
Due to Micro and Small Enterprises	-	3.30	-	2.24
Due to other than Micro and Small Enterprises	1,678.30	1,992.97	1,301.51	735.78
Current maturities of long term borrowings	746.92	961.44	566.72	530.37
Other Financial Liabilities	32.24	270.63	96.60	10.32
Provisions	165.69	153.24	7.91	30.13
Other Current Liabilities	182.82	300.92	528.72	531.08
Current Tax Liabilities (Net)	84.03	90.21	67.22	10.03
Total Current Liabilities	**3,497.66**	**4,205.99**	**4,939.79**	**3,394.04**
TOTAL EQUITY AND LIABILITIES	**22,390.60**	**22,980.04**	**16,642.92**	**13,148.35**

Other financial data

Particulars	For Six month period from 1 April 2021 to 30 September 2021	Financial Year ended 31 March 2021	Financial Year ended 31 March 2020	Financial Year ended 31 March 2019
Dividend (%)	5	-	-	-
Basic Earnings per share (Rs.)	6.82	8.56	10.64	9.86
Diluted Earning per share (Rs.)	6.79	8.56	6.97	9.86

Notes: (1) The financial information for the six months period ended 30 September 2021 has been extracted from unaudited consolidated financial results for the six months period ended 30 September 2021 (limited review by the statutory auditor of the Acquirer as per SEBI (LODR) Regulations) submitted to the stock exchanges under Regulation 33 of the SEBI (LODR) Regulations. (2) The financial information for the financial years ended: (a) 31 March 2021 has been extracted from Acquirer's audited consolidated financial statements for the financial year 2020-2021; (b) 31 March 2020 have been extracted from Acquirer's audited consolidated financial statements for the financial year 2019-2020; and (c) 31 March 2019 have been extracted from Acquirer's audited consolidated financial statements for the financial year 2018-2019. (3) The financial information for the nine months period ended 31 December 2021 (limited review by the statutory auditor of the Acquirer as per SEBI (LODR) Regulations) has been submitted by the Acquirer to the stock exchanges under Regulation 33 of the SEBI (LODR) Regulations and the same is available on the websites of the stock exchanges.

Source: Certificate dated 15 February 2022 issued by Rajendra & Co., Chartered Accountants, (Firm Registration No. 108355W).

22. As of 31 March 2021, the Acquirer had no major contingent liabilities.

V. BACKGROUND OF THE TARGET COMPANY

1. Tanfac Industries Limited is a public listed company, incorporated under the (Indian) Companies Act, 1956, having corporate identity number L24117TN1972PLC006271 on 20 December 1972. The Target Company was incorporated on 20 December 1972 as a public limited company with the name 'Tamil Nadu Fluorine and Allied Chemicals Limited'. The name of the Target Company was changed to 'Tanfac Industries Limited' on 29 July 1992. There has been no change in the name of the Target Company in the last 3 years.

2. The Target Company has its registered office at Plot No.14, SIPCOT Industrial Complex, Kudikadu, Cuddalore, Tamil Nadu, 607005. The contact details of the Target Company are as follows: telephone number: 04142-239001; fax number: 04142-239008.

3. The Equity Shares of the Target Company are listed on the Stock Exchange (Scrip Code: 506854) since 5 April 1984. The ISIN of the Target Company is INE639B01015. The trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchange.

4. The Equity Shares of the Target Company are currently listed on the Stock Exchange. The Equity Shares of the Target Company were also listed on the Madras Stock Exchange Limited ("**MSE**"), Delhi Stock Exchange Association Limited ("**DSE**"), and Calcutta Stock Exchange Limited ("**CSE**"). The Equity Shares of the Target Company were voluntarily delisted from the MSE with effect from 29 December 2014. The Equity Shares of the Target Company were also voluntarily delisted from the DSE with effect from 31 March 2005 and CSE with effect from 14 January 2013.

5. TIDCO and HACL had executed the JVA pursuant to which TIDCO and HACL had set out the mutual rights and obligations as shareholders of the Target Company and with respect to the management and control of the Target Company. Birla Group Holdings Private Limited is the successor-in-interest to the rights and obligations of HACL under the JVA by virtue of acquisition of shares including through an order of the National Company Law Tribunal, Mumbai dated 9 May 2019, sanctioning the scheme of amalgamation and further by acting upon the terms and conditions of the JVA since the order of the National Company Law Tribunal, Mumbai.

6. The Equity Shares of the Target Company are frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

7. The total authorised share capital of the Target Company is ₹ 35,00,00,000 comprising of 2,50,00,000 Equity Shares of face value of ₹ 10 each and 10,00,000 preference share of face value of ₹ 100 each.

8. The total fully paid-up equity share capital of the Target Company is ₹ 9,97,50,000 divided in to 99,75,000 fully paid-up equity shares of face value of ₹ 10 each.

9. The capital structure of the Target Company as on the date of this Draft Letter of Offer is:

Equity Shares of Target Company	**No. of Equity Shares/voting rights**	**% of Equity Shares/voting rights**
Fully paid up Equity Shares	99,75,000	100%
Partly paid up Equity Shares	NIL	NIL
Total paid up Equity Shares	99,75,000	100%
Total voting rights in Target Company	99,75,000	**100%**

10. There are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities; and/or (c) warrants issued by the Target Company.

11. None of the Equity Shares of the Target Company are currently locked-in.

12. The composition of the board of directors of the Target Company is as follows:

Name of Director	**Director Identification Number (DIN)**	**Designation**	**Date of Initial appointment**
Ramachandran Karthikeyan	00824621	Non-Executive - Non Independent Director	8 May 2009
Madras Ramanathan Sivaraman	00020075	Non-Executive - Independent Director	23 January 2006
Venkataraman Thirumoorthy	00007648	Non-Executive - Independent Director	27 October 1983
Shankar Narasimhan	01484214	Non-Executive - Independent Director	24 April 2007
Rajalakshmi Ravikrishnan	01985132	Non-Executive - Independent Director	24 March 2015
Sendhil Kalyanasundaram Naathan	08850046	Executive Director- Managing Director	27 August 2020
Lilly Rajendran	03287345	Non-Executive - Non Independent Director, Chairperson	13 August 2021
Mr. Jayant Vasant Dhobley[@@]	02402556	Non-Executive and Non-Independent Director	18 October 2021

[@@] Jayant Vasant Dhobley has been appointed as a non-executive, non-independent director of the Target Company on 18 October 2021 subject to the approval of the members in ensuing general meeting of the Target Company.

13. During the last 3 years, the Target Company has not undertaken any activities with respect to a scheme of amalgamation, restructuring, merger/demerger and spin off.

14. The Target Company has not been declared as: (a) wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations; or (b) a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

15. The financial information of the Target Company based on its audited standalone financial statements as on and for the financial years ended on 31 March 2019, 31 March 2020 and 31 March 2021 and limited review standalone financial results for the six-months' period ended 30 September 2021 is as follows:

Profit & Loss Statement

(₹ in Million, except per share data)

Particulars	**Six-month period ended September 30, 2021**	**Financial Year ended March 31, 2021**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2019**
Income:				
Revenue From Operations	1,628.07	1,478.96	1648.03	2,217.12
Other Income	15.37	13.66	11.64	9.41
Total Income	**1,643.45**	**1,492.62**	**1,659.67**	**2,226.53**
Expenditure:				
Cost of Material Consumed	891.77	692.29	843.84	1,100.80
Changes in inventories of Finished goods, Stock in Trade and Work in Progress	(25.57)	10.42	16.77	(14.26)
Employee Benefit Expenses	64.84	114.70	120.71	115.89
Finance cost	5.37	5.17	8.45	30.44
Depreciation / Amortization and Impairment Expenses	28.80	84.75	46.37	80.23
Power and Fuel	103.01	96.47	155.97	232.25
Other Expenses	152.85	238.22	251.33	264.85
Total Expenditure	**1,221.08**	**1,242.02**	**1,443.44**	**1,810.20**
Profit Before Tax	**422.36**	**250.60**	**216.23**	**416.33**
Tax Expenses:				
Current Tax	110.43	45.60	37.73	76.42
Deferred Tax	(6.74)	(10.73)	(9.47)	56.65
MAT Credit Entitlement / Refund	6.07	41.47	33.34	(76.42)
Tax Provision of Prior Year Reversed	-	(0.48)	(15.11)	-
Profit After Tax	**312.60**	**174.74**	**169.74**	**359.68**

Balance Sheet Statement

(₹ in Million, except per share data)

Particulars	**Six month period ended September 30, 2021**	**Financial Year ended March 31, 2021**	**Financial Year ended March 31, 2020**	**Financial Year ended March 31, 2019**
ASSETS				
1) Non-Current Assets				
a) Property, Plant and Equipment	378.77	400.67	329.58	343.42
b) Capital Work in Progress	69.97	28.98	62.74	8.85
c) Financial Assets				

Particulars	Six month period ended September 30, 2021	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
i) Investments	13.21	13.20	9.82	8.60
ii) Other Financial Assets	0.59	0.07	12.44	3.58
d) Other Non-Current Assets	7.88	8.47	9.53	9.52
Total Non-Current Assets (A)	470.40	**451.99**	**424.11**	**373.97**
2) Current Assets				
a) Inventories	283.07	247.05	169.87	302.87
b) Financial Assets				
i) Investments	250.01	213.70		
ii) Trade Receivables	323.15	160.13	179.43	229.24
iii) Cash & Cash Equivalents	69.27	23.81	0.01	0.08
iv) Bank balances other than (iii) above	21.59	39.70	0.28	9.45
v) Loans & Advances	0.08	0.09	0.07	3.44
c) Other Current Assets	56.53	66.21	117.47	243.15
Total Current Assets (B)	**1,003.68**	**750.69**	**467.13**	**788.24**
Total Assets (A+B)	**1,474.08**	**1,202.68**	**891.24**	**1,162.20**
EQUITY & LIABILITIES				
Equity				
a) Equity Share Capital	99.75	99.75	99.75	99.75
b) Other Equity	1,012.34	732.61	552.22	380.51
Total Equity (C)	**1,112.09**	**832.36**	**651.97**	**480.26**
Liabilities				
1) Non-Current Liabilities				
a) Financial Liabilities	-	-	-	55.95
b) Provisions	**7.62**	4.36	5.75	4.89
c) Deferred Tax Liability (net)	**32.62**	39.35	47.68	56.87
Total Non Current Liabilities (D)	**40.24**	**43.71**	**53.43**	**117.71**
2) Current Liabilities				
a) Financial Liabilities				
i) Borrowings		-	3.96	62.03
ii) Trade Payables				
- Outstanding Dues of Micro and Small Enterprises	7.73	13.44	22.50	0.39

Particulars	Six month period ended September 30, 2021	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
- Outstanding Dues of Creditors other than Micro and Small Enterprises	202.65	249.68	84.49	255.54
b) Other Current Liabilities	32.75	23.80	17.92	50.45
c) Provisions	37.03	39.69	56.97	195.82
d)Current tax liabilities (Net)	41.58	-	-	-
Total Current Liabilities (E)	**321.75**	**326.61**	**185.84**	**564.24**
TOTAL EQUITY AND LIABILITIES (C+D+E)	**1,474.08**	**1,202.68**	**891.24**	**1,162.20**

Other financial data

Particulars	Six- month period ended September 30, 2021	Financial Year ended March 31, 2021	Financial Year ended March 31, 2020	Financial Year ended March 31, 2019
Dividend %^	35	-	-	-
EPS (Basic) (in Rs.)	31.34*	17.52	17.02	36.06
EPS (Diluted) (in Rs.)	31.34*	17.52	17.02	36.06
Return on Net Worth (%)	28.11%*	20.99%	26.03%	74.89%
Book Value Per Share	111.49*	83.44	65.36	48.15

Notes: ^ Does not include dividend on Preference Shares since the same is classified as debt.

*Not annualized

Notes: (1) The financial information for the six-month period ended 30 September 2021 has been extracted from the Target Company's limited review standalone financial results for the six months period ended 30 September 2021 submitted to the Stock Exchange under Regulation 33 of the SEBI (LODR) Regulations. (2) The financial information for the financial years ended: (a) 31 March 2021 has been extracted from the Target Company's annual report for the financial year 2020-2021; (b) 31 March 2020 has been extracted from the Target Company's annual report for the financial year 2019-2020; and (c) 31 March 2019 has been extracted from the Target Company's annual report for the financial year 2018-2019. (3) The financial information for the nine months period ended 31 December 2021 (limited review by the statutory auditor of the Target Company as per SEBI (LODR) Regulations) has been submitted by the Target Company to the BSE under Regulation 33 of the SEBI (LODR) Regulations and the same is available on the websites of the BSE.

Source: Certificate dated February 15, 2022 from Issued by Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E)

16. The shareholding pattern of the Target Company before (as on 31 December 2021) and after the Open Offer is as follows:

	Shareholding & voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and the Open Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	%[1]	No	%[1]	No	%[1]	No	%[1]
(1) Promoter Group								
(a) Parties to the SPA								

	Shareholding & voting rights prior to the agreement/acquisition and offer		Shares/voting rights agreed to be acquired which triggered the SEBI (SAST) Regulations		Shares/voting rights to be acquired in the Offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and the Open Offer (assuming full acceptances)	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No	%[1]	No	%[1]	No	%[1]	No	%[1]
Sellers	24,89,802	24.96%	(24,89,802)[(2)]	(24.96%)[(2)]	-	-	-	-
(b) Promoters other than (a) above	25,95,000	26.02%			-	-	25,95,000	26.02
Total 1 (a+b)	**50,84,802**	**50.98%**	**(24,89,802)[(2)]**	**(24.96%)[(2)]**	**-**	**-**	**25,95,000**	**26.02%**
(2) The Acquirer and PACs								
(a) Acquirer	-	-	24,89,802[(2)]	24.96%[(2)]	25,93,500	26.00%	50,83,302	50.96%
(b) PAC[(3)]	-	-	-	-	-	-	-	-
Total 2 (a+b)	-	-	**24,89,802[(2)]**	**24.96%[(2)]**	**25,93,500**	**26.00%**	**50,83,302**	**50.96%**
(3) Parties to Agreements other than (1)(a) & (2)	-	-	-	-	-	-	-	-
(4) Public (other than under 1, 2 and 3) [(4)]								
(a) FIs/MFs/FPIs/FIIs /Banks, SFIs, Insurance Companies/AIFs	6,250	0.06%	-	-	(25,93,500)	(26.00%)	22,96,698	23.02%
			-	-				
(b) Others	48,83,948	48.96%	-	-				
Total (4) (a+b)	**48,90,198**	**49.02%**	**-**	**-**	**(25,93,500)**	**26.00%)**		
(5) Non Promoter Non Public	-	-	-	-	-	-		
Grand total (1+2+3+4+5)	**99,75,000**	**100.00%**	**-**	**-**	**-**	**-**	**99,75,000**	**100.00%**

***Notes*:**

1. *Computed as a % of Voting Share Capital*
2. *Please refer to paragraphs 2-4 of Section III(A) (Background to the Offer) of this Draft Letter of Offer.*
3. *No person is acting in concert with the Acquirer for the purpose of this Open Offer.*
4. *As on 31 December 2021, the total number of shareholders of the Target Company in the "public category" were* 15,071.
5. *The Acquirer shall be classified as a promoter of the Target Company along with the Continuing Promoter of the Target Company, in accordance with the provisions of the SEBI (LODR) Regulations following the completion of the Underlying Transaction. The total shareholding of the promoter and promoter group of the Target Company (assuming full acceptance in the Open Offer) will be 7,678,302 Equity Shares representing 76.98% of the Voting Share Capital.*
6. *As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25.00% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer, in the event that the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.*

VI. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

1. The Equity Shares of the Target Company are listed on the Stock Exchange (Scrip Code: 506854; ISIN: INE639B01015).

2. The trading turnover in the Equity Shares of the Target Company based on the trading volumes during the 12 calendar months prior to the calendar month in which the PA is made, i.e., the Relevant Period on BSE is as under:

Stock Exchange	Total No. of Equity Shares of the Target Company traded during the Relevant Period (A)	Total number of Equity Shares of the Target Company during the Relevant Period (B)	Traded turnover percentage (A/B)
BSE	79,40,412	99,75,000	79.60%

Source: Certificate dated 1 February 2022 issued by Rajendra & Co., Chartered Accountants (Firm Registration No. 108355W). (Akshay R. Shah, Partner, Membership No: 103316)

3. Based on the above, in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations, the Equity Shares of the Target Company are frequently traded on BSE.

4. The Offer Price of ₹ 595 per Equity Share is justified in terms of Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of:

S. No.	Particulars	Rs. Per Equity Share
A	The highest negotiated price per share of the Target Company under the agreement attracting the obligation to make a PA of this Open Offer	Price under the SPA: ₹ 595
B	The volume weighted average price paid or payable by the Acquirer during the fifty two weeks immediately preceding the date of the PA	NA
C	The highest price paid or payable for any acquisition by the Acquirer during the twenty six weeks immediately preceding the date of the PA	NA
D	The volume weighted average market price of Equity Shares of the Target Company for a period of sixty trading days immediately preceding the date of the PA as traded on BSE, being the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period.	₹ 591.73
E	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 including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies; and	NA[(1)]
F	The per equity share value computed under regulation 8(5) of the SEBI (SAST) Regulations, if applicable	NA[(2)]

Source: Certificate dated 1 February 2022 issued by Rajendra & Co., Chartered Accountants (Firm Registration No. 108355W) (Akshay R. Shah, Partner, Membership No: 103316).

***Notes**:*

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

5. In view of the parameters considered and presented in the table in paragraph 4 above, the minimum offer price per Equity Share, under Regulation 8(1) and Regulation 8(2) of the SEBI (SAST) Regulations, is the highest of item numbers A to F above, i.e., is ₹ 595 per Equity Share, and the same has been certified by Rajendra & Co., Chartered Accountants, (Firm Registration No. 108355W) (Akshay R. Shah, Partner, Membership No: 103316).

6. There have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.

7. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this Draft Offer of Letter up to 3 Working Days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations

8. As on the date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer shall comply with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations and other applicable provisions of the SEBI (SAST) Regulations.

9. In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the Offer Price or the Offer Size may be revised at any time prior to the commencement of the last 1 Working Day before the commencement of the Tendering Period. In the event of such revision: (a) the Acquirer shall make corresponding increases to the Escrow Amount; (b) make a public announcement in the same newspapers in which the Detailed Public Statement has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchange and the Target Company at its registered office of such revision.

10. In the event of acquisition of the Equity Shares by the Acquirer, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer.

11. If the Acquirer acquires Equity Shares of the Target Company during the period of 26 weeks after the closure of the Tendering Period at a price higher than the Offer Price per Equity Share, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Open Offer within 60 days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another offer under the SEBI (SAST) Regulations, as amended from time to time or SEBI (Delisting of Equity Shares) Regulations, 2021, as amended from time to time or open market purchases made in the ordinary course on the Stock Exchange, not being a negotiated acquisition of the Equity Shares in any form.

B. Financial Arrangements

1. The total consideration for the Offer Size at the Offer Price, assuming full acceptance of the Offer, i.e., the acquisition of 25,93,500 Equity Shares, at the Offer Price of ₹ 595, is ₹ 1,54,31,32,500. (the "**Maximum Consideration**").

2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an escrow account under the name and title of "ARIL OPEN OFFER ESCROW ACCOUNT" ("**Escrow Account**") with Standard Chartered Bank, a scheduled commercial bank in India, acting through its head office at Crescenzo, 3A/F, Crescenzo, Plot no. C- 38 & 39, G – Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 ("**Escrow Agent**") pursuant to an escrow agreement dated 1 February 2022 ("**Escrow Agreement**") and has made a cash deposit in such Escrow Account of ₹ 1,54,31,32,500 (being 100% of the Maximum Consideration payable under the Open Offer assuming full acceptance) in favour of the Manager to the Open Offer. In terms of the Escrow Agreement, the Manager has been authorized to operate and realize the value of the Escrow Account in accordance with the SEBI (SAST) Regulations. The cash deposit has been confirmed by the Escrow Agent by way of a confirmation letter dated 3 February 2022.

3. The Acquirer has also been sanctioned (A) a term loan facility of ₹ 125,00,00,000 by Axis Capital Finance Limited ("**AFL**") pursuant to the term loan agreement dated 28 December 2021; and (B) a term loan facility of ₹ 125,00,00,000 by Standard Chartered Capital Limited ("**SCCL**") pursuant to the facility agreement dated 18 January 2022. The Acquirer has earmarked the term loan facilities availed from AFL and SCCL to the extent of the Maximum consideration to be used exclusively for meeting the Acquirers Obligation under the Open Offer and to purchase the shares tendered in the open offer. After considering the aforementioned, Rajendra & Co., Chartered Accountants, the statutory auditors of the Acquirer, with Firm Registration No. 108355W (Address: 1311 Dalamal Tower, 211 Nariman Point, Mumbai – 400021; Telephone No.: 2285 5770; Fax No.: 2283 4243) (Akshay R. Shah, Partner, Membership No. 103316) ("**Chartered Accountant**"), by way of a certificate dated 1 February 2022, has certified that the Acquirer has made firm financial arrangements and adequate financial

resources through verifiable means for fulfilling the payment obligations under the Open Offer in accordance with SEBI (SAST) Regulations.

4. Based on the above and the certificate of the Chartered Accountant dated 1 February 2022, the Manager to the Open Offer is satisfied that firm financial arrangements have been put in place by the Acquirer to fulfill the obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

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

VII. TERMS AND CONDITIONS OF THE OPEN OFFER

A. Operational Terms and Conditions

1. The Open Offer is being made by the Acquirer to all the Public Shareholders, to acquire up to 25,93,500 Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the Public Announcement, Detailed Public Statement and this Draft Letter of Offer, and the Letter of Offer.

2. The Identified Date for this Open Offer as per the indicative schedule of key activities is 11 March 2022, Friday. In terms of the indicative schedule of key activities, the Tendering Period for the Open Offer is expected to commence on 28 March 2022, Monday and close on 8 April 2022, Friday (both days inclusive).

3. The Open Offer is not conditional and is not subject to any minimum level of acceptance.

4. The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to 10 Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.

5. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have a good and valid title on the Offer Shares. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Offer Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Offer, together with all the economic, voting and beneficial rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

6. The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirer. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.

7. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.

8. The Target Company does not have any Equity Shares which are currently locked-in.

9. The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the terms and conditions of this Open Offer. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is also expected to be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.

10. Public Shareholders to whom the Open Offer is being made are free to tender their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified.

11. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1.

12. There has been no revision in the Offer Price or Offer Size as on the date of this Draft Letter of Offer. The Acquirer reserve the right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of 1 Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirer shall: (i) make a corresponding increase to the Escrow Amount; (ii) make a public announcement in the same Newspapers in which the Detailed Public Statement was published; and (iii) simultaneously notify the Stock Exchange, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of the Letter of Offer.

13. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.

14. All the Equity Shares validly tendered under this Open Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, DPS and the Letter of Offer.

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

B. Eligibility for accepting the Open Offer

1. The Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) shall be sent to all Public Shareholders holding the Equity Shares, whether in dematerialized form or physical form, whose names appear in the records of Depositories at the close of business hours on the Identified Date. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way. Incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected.

2. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

3. All Public Shareholders who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Open Offer.

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

5. The acceptance of this Offer by the Public Shareholders must be absolute and unqualified and is entirely at the discretion of the Public Shareholder(s). Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

6. All the Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

7. The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirer in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition a maximum of 25,93,500 Equity Shares, representing 26.00% (twenty-six per cent.) of the Voting Share Capital, in consultation with the Manager to the Offer.

8. For any assistance please contact the Manager to the Offer or the Registrar to the Offer.

C. Statutory and Other Approvals

1. The consummation of the Underlying Transaction and the Open Offer is subject to the satisfaction of certain conditions precedent specified in the Share Purchase Agreements (as set out at paragraph 6(vi) of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer) (unless waived in accordance with the Share Purchase Agreements). To the best of the knowledge of the Acquirer, there are no statutory or governmental approvals required for the consummation of the Transaction. However, if any other statutory or governmental approval(s) are required or become applicable at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and the Underlying Transaction and the Open Offer would also be subject to such other statutory or other governmental approval(s).

2. In the event that the conditions precedent as specified in the Share Purchase Agreements (as set out at paragraph 6(vi) of Section III(A) (*Background to the Open Offer*) of this Draft Letter of Offer), which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer may rescind the respective Share Purchase Agreements and shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of the Share Purchase Agreement being rescinded and a withdrawal of the Open Offer providing the grounds and reasons for withdrawal of the open offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, a public announcement will be made within 2 Working Days of such withdrawal, in the same Newspapers in which the Detailed Public Statement has been published and such public announcement will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.

3. In case of delay in receipt of any other statutory approval that may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such non-receipt was not attributable to any wilful default, failure or neglect on the part of the acquirer to diligently pursue such approvals,

grant an extension of time to the Acquirer for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.

4. All Public Shareholders (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares, who are not persons resident in India, had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

5. The Acquirer shall complete all procedures relating to payment of consideration under this Open Offer within 10 Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

1. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

2. Subject to Part C (*Statutory and Other Approvals*) of Section VII (*Terms and Conditions of the Open Offer*) of this Draft Letter of Offer above, all the Public Shareholders of the Target Company, holding the shares in physical or dematerialized form, registered or unregistered are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer.

3. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

4. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the BSE in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations, SEBI circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015, as amended read along with SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016 and SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated 13 August 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**").

5. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on the Stock Exchange in the form of a separate Acquisition Window.

6. The Open Offer is made to the Public Shareholders as defined in this Draft Letter of Offer. While the Letter of Offer shall be sent to the Public Shareholders of the Target Company whose name appears in the records of

Depositories as on the Identified Date, all Public Shareholders holding Equity Shares in dematerialised form are eligible to participate in the Open Offer at any time during the Tendering Period.

7. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement, will be e mailed/dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company at the close of business hours on the Identified Date and in each case, who have registered their email ids with the Depositories and/or the Target Company.

8. The Public Announcement, DPS, DLoF and the Letter of Offer will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer from SEBI's website.

9. All the Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker(s)**"), during the normal trading hours of the secondary market during the Tendering Period. The Buying Broker may also act as Selling Broker for Public Shareholders.

10. The Acquirer has appointed Edelweiss Securities Limited as the registered broker ("**Buying Broker**") through whom the purchases and settlements on account of the Offer Shares tendered under the Open Offer shall be made. The contact details of the Buying Broker are mentioned below:

Name	**:**	Edelweiss Securities Limited
Address	**:**	Edelweiss House, 12th Floor, off C.S.T. Road, Kalina, Mumbai - 400 098
Telephone No.	**:**	: +91 22 6623 3325
Fax No.	**:**	+91 22 22864411
Contact person	**:**	Atul Benke
Email	**:**	instops@edelweissfin.com
SEBI registration no.	**:**	INZ000166136

11. Public Shareholders have to ensure that their Equity Shares are made available to their seller brokers in order to mark the lien, before the closure of the Tendering Period.

12. Public Shareholders holding shares in demat form are not required to submit the Form of Acceptance-cum-Acknowledgment to the Registrar except in case of non-residents, unless required by their respective Selling Broker.

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

14. Modification/cancellation of orders will not be allowed during the Tendering Period. Multiple bids made by a single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance. The reporting requirements for non-resident shareholders under Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Public Shareholder and/or its Selling Broker.

15. Equity Shares should not be submitted/ tendered to the Manager to the Offer, the Acquirer or the Target Company.

16. The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Public Shareholders' sole risk. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.

17. The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Shares, and/or other documents on behalf of the Public Shareholders of the Target Company who have accepted the Offer, until the warrants/cheques/drafts for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Public Shareholders.

18. Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick UCC facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:

19. **In case of Public Shareholder being an individual**

(i) If Public Shareholder is registered with KRA: Forms required:

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

b) Know Your Client ("**KYC**") form Documents required (all documents self-attested): Bank details (cancelled cheque)

c) Demat details (Demat Master/Latest Demat statement)

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

a) CKYC form including FATCA, IPV, OSV if applicable

b) KRA form

c) KYC form Documents required (all documents self-attested): PAN card copy Address proof Bank details (cancelled cheque)

d) Demat details (Demat master/Latest Demat statement)

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

20. **In case Public Shareholder is HUF**:

(i) If Public Shareholder is registered with KRA: Forms required:

a) CKYC form of KARTA including FATCA, IPV, OSV if applicable

b) KYC form documents required (all documents self-attested): Bank details (cancelled cheque)

c) Demat details (Demat Master/Latest Demat statement)

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

a) CKYC form of KARTA including FATCA, IPV, OSV if applicable

b) KRA form

c) 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)

d) Demat details (Demat master/Latest Demat statement)

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

21. **In case of Public Shareholder being other than Individual and HUF**:

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

a) KYC form Documents required (all documents certified true copy) Bank details (cancelled cheque)

b) Demat details (Demat master/Latest Demat statement)

c) FATCA, IPV, OSV if applicable

d) Latest list of directors/authorised signatories/partners/trustees

e) Latest shareholding pattern

f) Board resolution

g) Details of ultimate beneficial owner along with PAN card and address proof

h) Last 2 years' financial statements

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

a) KRA form

b) 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)

c) Demat details (Demat Master/Latest Demat statement)

d) FATCA, IPV, OSV if applicable

e) Latest list of directors/authorised signatories/partners/trustees

f) PAN card copies & address proof of directors/authorised signatories/partners/trustees

g) Latest shareholding pattern

h) Board resolution/partnership declaration

i) Details of ultimate beneficial owner along with PAN card and address proof

j) Last 2 years' financial statements

k) MOA/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 above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

22. **Procedure for tendering Equity Shares held in dematerialised form**:

(i) The Public Shareholders who are holding Equity Shares in electronic/dematerialised form and who desire to tender their Equity Shares in this Open Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares that such Public Shareholder intends to tender in this Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

(ii) The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchange. Before placing the order /bid, the seller broker will be required to mark line on the tendered Equity Shares. .

(iii) The lien shall be marked by the Selling Broker in the demat account of the Public Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by the depositories to the Clearing Corporation.

(iv) For custodian participant orders, for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodian participant. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian participant confirmation and the revised order shall be sent to the custodian participant again for confirmation.

(v) Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

(vi) On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer.

(vii) Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.

(viii) 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 Exchange/Clearing Corporation, before the opening of the Open Offer.

(ix) The Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares. .

(x) The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

(xi) **The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement except in case of non-residents, unless required by their respective Selling Broker**.

23. **Procedure for tendering Equity Shares held in Physical Form**:

(i) As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

(ii) The procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

(a) As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/ CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

(b) Public Shareholders who are holding physical Equity Shares and intend to participate in the Open 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) original share certificate(s), (ii) valid share 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, (iii) self-attested copy of the shareholder's PAN Card, (iv) Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.

In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhaar card, (ii) voter identity card, or (iii) passport.

(c) Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of the Stock Exchange. Upon placing the bid, the Selling Broker shall provide a TRS generated by the Stock Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered, etc. Physical share certificates and other relevant documents should not be sent to the Acquirer, Target Company, or the Manager. The Selling Broker/Equity Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post or courier or hand delivery to the Registrar to the Offer i.e. Link Intime India Private Limited, C-101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai 400083, so that same reaches the Registrar to the Offer in no event later than Friday, April 08, 2022 (by 5.00 p.m (IST)). The envelope should be superscribed as "**Tanfac**

Industries Limited Open Offer". 1 copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker/Equity Shareholder.

(d) The Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchange shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.

(e) In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the closure of the Tendering Period.

24. Procedure for tendering the shares in case of non-receipt of Letter of Offer

(i) All the Public Shareholders of the Target Company, holding the Equity Shares whether in dematerialised form or physical form, registered or unregistered are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer.

(ii) As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/ CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

(iii) Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the identified date i.e. the date of falling on the 10th working day prior to the commencement of Tendering Period or unregistered owners or those who have acquired Equity Shares after the identified date, or those who have not received the Letter of Offer, may also participate in this Open Offer.

(iv) Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way.

(v) The Public Shareholders who tender their Equity Shares in the Open Offer shall ensure that the Equity Shares are fully paid-up and are free from all liens, charges and encumbrances and such Equity Shares will be acquired by the Acquirer in accordance with the terms and conditions set out in DPS and the terms and conditions which will be set out in the Letter of Offer, the relevant provisions of the SEBI (SAST) Regulations and the applicable law. The Acquirer shall acquire the Offer Shares that are validly tendered and accepted in the Open Offer, together with all rights attached thereto, including the right to dividends, bonuses and rights offers declared thereof in accordance with the applicable law and the terms set out in the Public Announcement, the Detailed Public Statement and which will be set in the Letter of Offer.

(vi) The Open Offer will be implemented by the Acquirer subject to applicable laws, through the Acquisition Window as provided under the SEBI (SAST) Regulations and Acquisition Window Circulars.

(vii) The Public Shareholders shall obtain all necessary consents required for it to tender and sell the Equity Shares in the Offer.

(viii) All Public Shareholders who desire to tender their Equity Shares under the Open Offer will have to intimate their respective Selling Brokers within the normal trading hours of the secondary market, during the Tendering Period. A separate Acquisition Window will be provided to facilitate placing of sell orders on the Stock Exchange.The Selling Broker will mark lien on the Equity Shares to be tendered..

(ix) The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement, will be e-mailed/dispatched to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company at the close of business hours on the Identified Date and in each case, who have registered their email ids with the Depositories and/or the Target Company.

(x) In case of non-receipt of the Letter of Offer, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

(xi) The Letter of Offer along with the Form of Acceptance cum Acknowledgment would also be available on the website of SEBI (www.sebi.gov.in) and the Public Shareholders can also apply by downloading such forms from the aforementioned websites.

(xii) Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by Stock Exchange before the closure of the Open Offer.

(xiii) Equity Shares and relevant documents should not be submitted or tendered to the Manager to the offer, the Acquirer or the Target Company.

25. Acceptance of Equity Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis 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 Public Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one).

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

26. Settlement Process

(i) On closure of the Open Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Open Offer shall be provided to the Stock Exchange to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation.

(ii) The settlement of trades shall be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.

(iii) For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to their demat account. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

(iv) In case of certain client types viz. NRI, foreign clients, etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.

(v) The Public Shareholders will have to ensure that they keep the DP account active and unblocked so that lien can be released in case of rejection or non–acceptance of the shares under the Open Offer. The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes.

(vi) The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned back to the Eligible Public Shareholders directly by the Registrar to the Offer.

(vii) The direct credit of Equity Shares shall be given to the demat account of Acquirer as indicated by the Buying Broker.

(viii) Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released. Buying Brokers would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.

(ix) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Open Offer.

(x) If Public Shareholders bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Public Shareholder.

(xi) The Buying Broker will transfer the consideration pertaining to this Offer to the Clearing Corporation's bank account as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under this Offer, the Clearing Corporation will make direct funds pay-out to the respective Eligible Public Shareholders. For the Eligible Public Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Public Shareholder's account. On settlement date, all blocked Equity Shares mentioned in accepted tender shall be transferred to Clearing Corporation.

(xii) Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, 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 Public Shareholders.

(xiii) 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

A copy of the Letter of Offer (including Form of Acceptance-cum-Acknowledgment) is expected to be available on SEBI's website (http://www.sebi.gov.in) during the period the Offer is open and may also be downloaded from the site**.**

IX. COMPLIANCE WITH TAX REQUIREMENTS

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 (AS AMENDED BY FINANCE ACT, 2021) AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

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

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

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

1. **General**:

(a) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

(b) 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 (the "**IT Act"**) as amended from time to time. 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) as also income received by such person in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

(c) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

(d) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument ("**MLI**") as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of General Anti-Avoidance Rule ("**GAAR**") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

(e) The IT Act also provides for different income-tax regimes/rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

(f) The Public Shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.

(g) The summary of income-tax implications on tendering of listed equity shares is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

2. **Classification of Shareholders**: Public Shareholders can be classified under the following categories:

(a) Resident Shareholders being:

(i) Individuals, Hindu Undivided Family (HUF), Association of Persons ("**AOP**") and Body of Individuals ("**BOI**")

(ii) Others

(b) Non-Resident Shareholders being:

(i) Non-Resident Indians (NRIs)

(ii) Foreign Institution Investors (FIIs) including FPI's as defined in Explanation (a) to Section 115AD of the IT Act.

(iii) Others:

- Company
- Other than company

3. **Classification of Income**: Shares can be classified under the following two categories:

(a) Shares held as investment (Income from transfer of such shares taxable under the head "**Capital Gains**")

(b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "**Profits and Gains from Business or Profession**")

4. **Taxability of Capital Gains in the hands of shareholders**

(a) Gains arising from the transfer of shares may be treated either as "capital gains" or as "business income" for income-tax purposes, unless specifically exempted, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

(b) As per the current provisions of the IT Act, where the shares are held as investments (i.e. capital assets), income arising from the transfer of such shares is taxable under the head "Capital Gains". Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FIIs as capital assets, whether or not such assets have been held as a capital asset or as stock-in-trade; and therefore, the gains arising in the hands of FIIs will be taxable in India as capital gains.

(c) Capital Gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act.

(d) Period of holding: Depending on the period for which the shares are held, the gains would be taxable as "short-term capital gain/ STCG" or "long-term capital gain/ LTCG":

- In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a "short-term capital asset", and accordingly the gains arising therefrom should be taxable as "STCG".

- Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a "long-term capital asset", and accordingly the gains arising therefrom should be taxable as "LTCG".

(e) The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (plus applicable surcharge and health and education cess) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 months and have been subject to STT upon both acquisition and sale. Under this provision the capital gain tax would be computed on gains exceeding ₹ 1,00,000 (without any indexation and foreign exchange fluctuation benefits).

(f) As per section 111A of the IT Act, short term capital gain arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (plus applicable surcharge and health and education cess) (except under specific categories).

However, since STT will not be applicable to the Equity Shares transferred in this Offer, the provisions of Section 112A and Section 111A of the IT Act shall not be applicable.

(g) LTCG arising from tendering of Equity Shares in the Offer shall be subject to tax as follows:

(i) LTCG will be chargeable to tax at rate of up to 20% (plus applicable surcharge and health and education cess) in the case of a non-resident shareholder (other than a FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.

(ii) In the case of FII's, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act.

(iii) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act.

(iv) For a resident shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation.

(h) Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred, will be subject to short term capital gains tax and shall be leviable to tax at the rates prescribed in First Schedule to the Finance Act (i.e. normal tax rates applicable to different categories of persons) (plus applicable surcharge and health and education cess).

(i) Taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.

(j) As per Section 70 of the IT Act, short term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

(k) Long term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

Investment Funds

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

Mutual Funds

(m) Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the RBI and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

5. **Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade)**:

If the shares are held as stock-in-trade by any of the eligible Public Shareholders of the Target Company, then the gains will be characterized as business income and taxable under the head "Profits and Gains from Business or Profession".

(a) **Resident Shareholders**:

(i) Profits of:

(A) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.

(B) Domestic companies having turnover or gross receipts not exceeding Rs. 400 crore in the financial year ended March 31st 2019 will be taxable at the rate of 25%.

(C) Domestic companies which have opted for concessional tax regime under Section 115BAA will be taxable at 22%.

(D) For persons other than stated in (A), (B) and (C) above, profits will be taxable at the rate of 30%.

(ii) No benefit of indexation by virtue of period of holding will be available in any case.

(b) **Non-Resident Shareholders**

(i) Non-resident Public Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant shareholder country but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.

(ii) Where DTAA provisions are not applicable:

- For non-resident individuals, HUF, AOP and BOI, profits (as determined in accordance with the provisions of the IT Act) will be taxable at slab rates
- For FII's, profits will be taxed as capital gains as explained in para 4 (b) above.
- For foreign companies other than FII's, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India at the rate of 40%

For other non-resident Shareholders, such as foreign firms excluding FII's, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India at the rate of 30%.

In addition to the above, applicable Surcharge, Health and Education Cess are leviable for Resident and Non-Resident Public Shareholders.

6. **Other matters**

(a) Minimum alternate tax ("**MAT**") implications as per Section 115JB of the IT Act will get triggered in the hands of a resident corporate shareholder (other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.

(b) **Submission of PAN and other details**

- All Public Shareholders are required to submit their PAN along with self-attested copy of the PAN card for income-tax purposes.

- In absence of PAN for non-resident Public Shareholders, as per Notification No. 53/2016, F.No.370 142/16/2016-TPL, they shall furnish self-attested copy of documents containing the following details:

  (i) Name, email id, contact number;

  (ii) Address in the country of residence;

  (iii) Tax Residency Certificate ("**TRC**") from the government of the country of residence, if the law of such country provides for issuance of such certificate; and

  (iv) Tax identification number in the country of residence, and in case no such number is available, then a unique number on the basis of which such non-resident is identified by the government of the country of which he claims to be a resident.

7. **Tax Deduction at Source**

- ***On payment of consideration***

(a) *In case of Resident Shareholders*

The Acquirer may, if applicable, deduct tax on the consideration payable to resident Public Shareholders pursuant to the said offer under the provisions of the IT Act including section 194Q of the IT Act. However, there is a notification dated June 2021, which clarifies that Section 194Q is not applicable to transactions carried through a recognised stock exchange.

(b) *In case of Non-resident Shareholders*

(i) In case of FIIs / FPIs:

- Section 196D of the IT Act provides for specific exemption from withholding tax in case of Capital Gains arising in hands of FIIs / FPIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs. The Acquirer would not deduct tax at source on the payments to FIIs/FPIs, subject to the following conditions:

  - FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);

  - FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.

- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act ("**TDC**"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.

(ii) In case of other non-resident Shareholders (other than FIIs/FPIs covered under para 7(b)(i) above) holding Equity Shares of the Target Company:

- Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Shareholders provide a specific mandate in this regard.

- While tendering shares under the Offer, all non-resident shareholders including NRIs/foreign shareholders shall be required to submit a valid certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer will arrange to deduct taxes at source in accordance with such TDC only if it has been submitted along with the Form of Acceptance cum-Acknowledgement and the same is valid and effective as of the date on which tax is required to be deducted at source.

- In case TDC is not submitted requiring lower withholding of tax by non-resident shareholders including NRIs/foreign shareholders or is otherwise not valid and effective as of the date on which tax is required to be deducted at source, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and health and education cess), on the gross consideration towards acquisition of shares, or interest for delay in payment of consideration, if any, payable to such shareholder under the Offer.

- The non-resident Public Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the non-resident Public Shareholders pursuant to this Offer. The non-resident Public Shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/non-taxability of the proceeds pursuant to this Offer, copy of tax return filed in India, evidence of the tax paid, documents, etc.

- ***On payment of interest for delay in payment of consideration***

Tax shall be deducted at source on gross amount of interest for delay in payment of the consideration at the applicable tax rate in accordance with the provisions of the IT Act depending on category of the Public Shareholder. The shareholders shall be required to submit a valid TDC at a nil/lower rate issued by the income tax authorities under the IT Act along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before payment of such interest.

- ***Other withholding related provisions***

- If PAN is not furnished by a resident Public Shareholder or in case of non-resident Public Shareholders not having a PAN, the aforesaid details are not furnished, the Acquirer will arrange to deduct tax at least at the rate of 20% as per Section 206AA of the IT Act or at such rate as applicable and provided above for each category of the Public Shareholders, whichever is higher.

- With effect from 1 July 2021, in terms of Section 206AB of the IT Act, where a person (i) has not filed Indian income-tax return for two consecutive financial years preceding the relevant financial year in which tax is required to be deducted; (ii) has an aggregate of tax deducted at source/tax collected at source of Rs. 50 thousand or more in each of these two financial years and (iii) the time limit for filing India income-tax return under Section 139(1) of the IT Act has expired, then the deductor is required to withhold taxes at higher of the following rates (a) at twice the rate specified in the relevant provision of the IT Act; (b) at twice the rates in force; or (c) at the rate of 5%. It is clarified that the provisions of Section 206AB of the IT Act are not applicable where the payee is a non-resident which does not have a permanent establishment in India.

- Further, it is also clarified that where the provisions of both Section 206AA and Section 206AB of the IT Act are applicable, then taxes shall be deducted at higher of the two rates provided in Section 206AA and Section 206AB of the IT Act.

In addition to the tax deducted at source as per para 7 above, Surcharge, Health and Education Cess as applicable will be levied.

8. **Other points for consideration**

- Public Shareholders who wish to tender their Equity Shares must submit the information/documents, as applicable, all at once along with the Form of Acceptance-cum-Acknowledgement and those that may be additionally requested for by the Acquirer. The documents submitted by the shareholders along with the Form of Acceptance-cum-Acknowledgement will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer, may not be accepted.

- The Acquirer will not take into consideration any other details and documents (including self-certified computation of tax liability or the computation of tax liability certified by any tax professionals including a chartered accountant, etc.) submitted by the Public Shareholder for deducting a lower amount of tax at source. In case of ambiguity, incomplete or conflicting information, the Acquirer will arrange to deduct tax at the applicable rate under the IT Act on the gross amount.

- Based on the documents and information submitted by the shareholder, the final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with the Acquirer.

- Taxes once deducted will not be refunded by the Acquirer under any circumstances.

- The Acquirer shall deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholders, such shareholders will be responsible to pay such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before any income tax/appellate authority. The Shareholders undertake to indemnify the Acquirer if any tax demand is raised on the Acquirer on account of gains arising to the Public Shareholders pursuant to this Offer.

- The tax deducted by the Acquirer while making the payment to a shareholder under this Offer may not be the final liability of such shareholders and shall in no way discharge the obligation of the shareholders to appropriately disclose the amount received by it, pursuant to this Offer, before the income tax authorities. The rate at which tax is required to be deducted is based on the tax laws prevailing as on the date of the Letter of offer. If there is any change in the tax laws with regards to withholding tax rates as on the date of deduction of tax, the tax will be deducted at the rates applicable at the time of deduction of tax.

- All shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take.

The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

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

9. **Rate of Surcharge and Cess**

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

(a) ***Surcharge***

- In case of domestic companies: Surcharge at the rate of 12% is leviable where the total income exceeds ₹ 10,00,00,000 and at the rate of 7% where the total income exceeds. ₹ 1,00,00,000 crore but less than ₹ 10,00,00,000.
- In case of domestic companies which have opted for concessional tax regime either under Section 115BAA or Section 115BAB: Surcharge at the rate of 10% is leviable.
- In case of companies other than domestic companies: Surcharge at the rate of 5% is leviable where the total income exceeds ₹ 10,00,00,000 and at the rate of 2% where the total income exceeds ₹ 1,00,00,000 but less than ₹ 10,00,00,000.
- In case of individuals, HUF, AOP, BOI:
    - Surcharge at the rate of 10% is leviable where the total income exceeds ₹ 50,00,000 but less than ₹ 1,00,00,000;
    - Surcharge at the rate of 15% is leviable where the total income exceeds ₹ 1,00,00,000 but does exceed ₹ 2,00,00,000;
    - Surcharge at the rate of 25% is leviable where the total income exceeds . ₹ 2,00,00,000 but does exceed ₹ 5,00,00,000; and
    - Surcharge at the rate of 37% is leviable where the total income exceeds ₹ 5,00,00,000.
- In case of Firm and Local Authority: Surcharge at the rate of 12% is leviable where the total income exceeds ₹ 1,00,00,000.

(b) ***Cess***

- Health and Education Cess at the rate of 4% is currently leviable in all cases.

10. **Tax Deducted Certificate**

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

The tax rate and other provisions may undergo changes.

THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATOR NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD

CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.

X. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the registered office of the Acquirer at 8110, GIDC Industrial Estate, Sachin, District - Surat, Gujarat – 394230 on any Working Day (except Saturdays and Sundays) between 10 AM and 5 PM during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period:

1. Copies of the certificate of incorporation and Memorandum and Articles of Association of the Acquirer;

2. Copy of the JVA dated 4 October 1980;

3. Copies of the Share Purchase Agreement dated 1 February 2022 and Amendment to the JVA dated 1 February 2022 which triggered the Open Offer;

4. Copies of audited consolidated financial statements as on and for the financial years ended on 31 March 2019, 31 March 2020 and 31 March 2021 and unaudited consolidated financial results for the six months' period ended 30 September 2021 (limited review by the statutory auditor of the Acquirer as per SEBI (LODR) Regulations), pertaining to the Acquirer;

5. Copies of audited standalone financial statements as on and for the financial years ended on 31 March 2019, 31 March 2020 and 31 March 2021 and limited review standalone financial results for the six months' period ended 30 September 2021 pertaining to the Target Company;

6. Copy of certificate dated 1 February 2022 from Rajendra & Co., Chartered Accountants (Firm Registration No. 108355W) (Akshay R. Shah, Partner, Membership No. 103316) certifying the adequacy of financial resources of the Acquirer to fulfil its Open Offer obligations;

7. Copy of the term loan agreement dated 28 December 2021;

8. Copy of the facility agreement dated 18 January 2022;

9. Copy of the Escrow Agreement dated 1 February 2022 between the Acquirer, Standard Chartered Bank and the Manager to the Open Offer;

10. Copy of the letter dated 3 February 2022 from the Escrow Agent confirming the deposit of ₹ 1,54,31,32,500 in the Escrow Account;

11. Copy of the Public Announcement dated 1 February 2022 submitted to the Stock Exchange;

12. Copy of the DPS dated 7 February 2022 published by the Manager to the Offer on behalf of the Acquirer on 8 February 2022;

13. Copy of the recommendation made by the committee of the independent directors of the Target Company; and

14. Copy of the letter number [●] from SEBI dated [●] containing its observations on the DLoF.

XI. DECLARATION BY THE ACQUIRER

1. The Acquirer and its directors accept full responsibility for the information contained in this Draft Letter of Offer (other than such information as has been obtained from public sources or provided by or relating to and confirmed by the Target Company and/or the Sellers), and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations in respect of this Open Offer.

2. The information pertaining to the Target Company and/or the Sellers contained in the Public Announcement or the Detailed Public Statement or this Draft Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Sellers, as the case may be, or publicly available sources which has not been independently verified by the Acquirer or the Manager. The Acquirer and the Manager do not accept any responsibility with respect to such information relating to the Target Company and/or the Sellers.

3. The information contained in this Draft Letter of Offer is as on the date of this Draft Letter of Offer, unless expressly stated otherwise.

4. The persons signing this Draft Letter of Offer, are duly and legally authorized by the Acquirer to sign this Draft Letter of Offer.

5. The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for its obligations as laid down in the SEBI (SAST) Regulations.

Issued by the Manager to the Open Offer

For and on behalf of the Acquirer

Anupam Rasayan India Limited (Acquirer)

Place: Surat
Date: 15 February 2022