

**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 Butterfly Gandhimathi Appliances Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was effected.

**CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED (“Acquirer”)**

A public limited company incorporated under the Companies Act, 2013

**Registered Office:** Tower 3, 1<sup>st</sup> Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai- 400070;

**CIN:** L31900MH2015PLC262254; **Tel:** +91 22 6167 8499; **Fax:** +91 22 6167 8383; **Website:** [www.crompton.co.in](http://www.crompton.co.in)

**MAKES A CASH OFFER TO ACQUIRE UP TO 46,48,684 FULLY PAID UP EQUITY SHARES HAVING FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH (“OFFER SHARES”), REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY, AT A PRICE OF INR 1,433.90 (INDIAN RUPEES ONE THOUSAND FOUR HUNDRED AND THIRTY THREE AND NINETY PAISE ONLY) PER EQUITY SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE PUBLIC SHAREHOLDERS OF**

**BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

A public limited company incorporated under the Companies Act, 1956

**Registered Office:** 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Chengalpattu, Tamil Nadu, 603103;

**CIN:** L28931TN1986PLC012728; **Tel:** 044-47415590/92/93; **Fax:** 044-67415526; **Website:** [www.butterflyindia.com](http://www.butterflyindia.com)

1. This Open Offer (*as defined below*) is being made by the Acquirer, pursuant to and in compliance with Regulations 3(1) and 4, and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
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, as on the date of this draft letter of offer (“**Draft Letter of Offer**” or “**DLOF**”), there are no statutory or other approval(s) required to acquire the Offer Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction (*as defined below*), save and except as set out in paragraph 8.4 (*Statutory and other Approvals*) of this DLOF. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price (*as defined below*) or the number of Offer Shares (*as defined below*) at any time prior to the commencement of the last 1 Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*). 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 an announcement in the same newspapers in which the DPS (*as defined below*) was published, and (iii) simultaneously notify the Stock Exchanges (*as defined below*), SEBI (*as defined below*) and the Target Company at its registered office. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations.
6. The Acquirer may withdraw the Open Offer in accordance with the condition specified in paragraph 8.4.5 of this DLOF. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
7. **There is no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
8. Copies of the Public Announcement (“**PA**”) and the Detailed Public Statement (“**DPS**”) are available and copies of the DLOF and the LOF (including Form of Acceptance) (*as defined below*) are expected to be available on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

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

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p><b>Kotak Mahindra Capital Company Limited</b> 27 BKC, 1<sup>st</sup> Floor, Plot No. C-27, ‘G’ Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051 <b>Tel:</b> + 91 22 4336 0128; <b>Fax:</b> +91 22 6713 2447 <b>E-mail:</b> <a href="mailto:butterfly.openoffer@kotak.com">butterfly.openoffer@kotak.com</a> <b>Contact Person:</b> Mr. Ganesh Rane <b>Website:</b> <a href="http://www.investmentbank.kotak.com">www.investmentbank.kotak.com</a> <b>SEBI Registration Number:</b> INM000008704</p>	 <p><b>KFin Technologies Limited</b> (<i>formerly known as KFin Technologies Private Limited</i>) Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India <b>Tel:</b> +91 40 6716 2222; <b>Fax:</b> +91 40 2343 1551 <b>Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> <b>Contact Person:</b> Mr. M Murali Krishna <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a> <b>SEBI Registration No.:</b> INR000000221</p>

## TENTATIVE SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Date <sup>(1)</sup>	Day <sup>(1)</sup>
1.	Date of the PA	February 22, 2022	Tuesday
2.	Date of publication of the DPS	February 24, 2022	Thursday
3.	Date of filing of this DLOF with SEBI	March 4, 2022	Friday
4.	Last date for public announcement for competing offer(s)	March 21, 2022	Monday
5.	Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	March 28, 2022	Monday
6.	Identified Date <sup>(2)</sup>	March 30, 2022	Wednesday
7.	Last date by which the LOF is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	April 6, 2022	Wednesday
8.	Last date for upward revision of the Offer Price and/or Offer Size	April 11, 2022	Monday
9.	Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Public Shareholders for this Open Offer	April 11, 2022	Monday
10.	Date of publication of Offer opening public announcement in the newspapers in which the DPS has been published	April 12, 2022	Tuesday
11.	Date of commencement of the tendering period (" <b>Offer Opening Date</b> ")	April 13, 2022	Wednesday
12.	Date of closure of the tendering period (" <b>Offer Closing Date</b> ")	April 28, 2022	Thursday
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	May 13, 2022	Friday
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	May 23, 2022	Monday

**Notes:**

- (1) *The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and may have to be revised accordingly.*
- (2) *The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF will be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except those who are excluded from the ambit of Public Shareholders) are eligible to participate in the Open Offer at any time during the Tendering Period.*

## **RISK FACTORS RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER**

For capitalized terms used herein, please refer to the section on Definitions set out below.

### **A. Relating to the Underlying Transaction**

- a. The obligation of the Acquirer and the Sellers to complete the Underlying Transaction is conditional upon fulfilment of the conditions set out in the SPA (unless waived), as set out in paragraphs 3.1.9 (a) and (b) of this DLOF. Further, the Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

### **B. Relating to the Offer**

- a. This Offer is an offer to acquire only up to 46,48,684 Equity Shares (“**Offer Shares**”) representing 26.00% of the Voting Share Capital (“**Offer Size**”) of the Target Company. 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 the Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager. 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.
- b. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event (a) any statutory or other approvals specified in paragraph 8.4 of this DLOF or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions precedent under the SPA as specified in paragraphs 3.1.9 (a) and (b) of this DLOF are not met for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.
- c. If, (a) there is delay in receipt of any applicable statutory or other approvals; (b) there is any litigation leading to a stay on the Open Offer; or (c) SEBI instructs the Acquirer to suspend the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay, due to non-receipt of statutory approval(s) in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
- d. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely

responsible for their decisions regarding participation in this Open Offer.

- e. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) 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 Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares. Public Shareholders classified as overseas corporate bodies (“OCB”), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
- f. The DLOF/LOF, together with the DPS and the PA in connection with the Offer has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF/LOF who are resident in jurisdictions outside India should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
- g. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5.00% of the voting rights of the Target Company, the Acquirer may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
- h. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company 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 the DLOF.
- i. 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.

- j. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, or in the advertisements 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. Notwithstanding the above, the Acquirer and the Manager to the Offer do not accept responsibility for the statements made and information with respect to the Target Company (which has been compiled from information published or publicly available sources or provided by the Target Company) and the Sellers (which has been sourced from the Sellers), as set out in the PA, DPS, DLOF, LOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer. The accuracy of such details of the Target Company and/or the Sellers have not been independently verified by the Acquirer or the Manager to the Offer. Anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.
- k. The information contained in this DLOF is as of the date of this DLOF unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this DLOF.

**C. Relating to the Acquirer**

- a. The Acquirer and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer.
- b. The Acquirer and Manager to the Offer make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- c. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d. Pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, 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.

**The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirer but are only indicative in nature. The risk factors set forth above pertain to the Open Offer and do not pertain to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for further risks with respect to their participation in the Open Offer.**

## **DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES**

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

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.

## **DISCLAIMER FOR U.S. PERSONS**

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 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 DLOF, all references to “Indian Rupees” or “INR” are references to the Indian Rupee(s).

In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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FORM OF ACCEPTANCE AND SHARE TRANSFER FORM

## 1. DEFINITIONS

Acquirer	Crompton Greaves Consumer Electricals Limited
AOP	Association of persons
Board	Board of directors of the Target Company
BOI	Body of individuals
BSE	BSE Limited
Buying Broker	Kotak Securities Limited
Cash Escrow Amount	A cash deposit of INR 142,50,00,000 (Indian Rupees One Hundred Forty Two Crore and Fifty Two Lakh only) in the Open Offer Escrow Account made by the Acquirer
CDSL	Central Depository Services (India) Limited
CKYC	Central know your client
CIN	Company Identification Number
Clearing Corporation	Indian Clearing Corporation Limited and/or the NSE Clearing Limited
Depositories	CDSL and NSDL
Designated Stock Exchange	BSE Limited
DIN	Director Identification Number
DLOF/Draft Letter of Offer	This Draft Letter of Offer dated March 4, 2022 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DP	Depository participant
DPS/Detailed Public Statement	Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer on February 24, 2022 in the newspapers mentioned in paragraph 3.2.3 of this DLOF
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share Capital	The total paid-up equity share capital of the Target Company as on the date of the PA, i.e. 1,78,79,551 Equity Shares
Equity Share(s)	Fully paid up Equity Shares of the Target Company of face value of INR 10/- (Indian Rupees ten only) each
Escrow Agent	Kotak Mahindra Bank Limited
Escrow Agreement	Escrow Agreement executed by and between the Acquirer, the Manager and the Escrow Agent
ESOPs	Employee stock options
FATCA	Foreign Account Tax Compliance Act
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FII/FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GAAR	General Anti Avoidance Rules
HUF	Hindu undivided family
Identified Date	Date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the Public Shareholders to whom the LOF shall be sent.

Income Tax Act	Income Tax Act, 1961 and subsequent amendments thereto
Indian Rupees or INR	Indian Rupees
IPV	In person verification
KRA	KYC registration agency
KYC	Know your client
LOF/Letter of Offer	Letter of offer dated [•], duly incorporating SEBI's comments on the DLOF, and including the Form of Acceptance, which shall be dispatched to the Public Shareholders
LTCG	Long Term Capital Gains
Manager/Manger to the Offer	Kotak Mahindra Capital Company Limited
Maximum Consideration/ Maximum Open Offer Consideration	The total funding requirement for this Offer (assuming full acceptance), i.e. INR 666,57,47,987.60 (Indian Rupees Six Hundred and Sixty Six Crore Fifty Seven Lakh Forty Seven Thousand Nine Hundred and Eighty Seven and Sixty Paise only only)
N.A.	Not applicable
NOC	No Objection Certificate
NRI	Non-resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer/Open Offer	Open Offer for acquisition of up to 46,48,684 Equity Shares representing 26.00% of the Voting Share Capital of the Target Company at the Offer Price, payable in cash
Offer Closing Date	Expected date of closure of the Tendering Period, i.e. Thursday, April 28, 2022
Open Offer Escrow Account	Escrow account named "CGCEL- Open Offer Escrow A/c" opened with the Escrow Agent in terms of the Escrow Agreement
Offer Opening Date	Expected date of commencement of the Tendering Period, i.e. Wednesday, April 13, 2022
Offer Period	Period as defined in the SEBI (SAST) Regulations
Offer Price	INR 1,433.90/- (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Equity Share, payable in cash
Offer Shares	Up to 46,48,684 Equity Shares representing 26.00% of the Voting Share Capital of the Target Company
Offer Size	Up to 46,48,684 (Forty Six Lakh Forty Eight Thousand Six Hundred and Eighty Four only) Offer Shares representing 26.00 % of the Voting Share Capital of the Target Company
OSV	Original seen and verified
Other Promoters	The Sellers ( <i>as defined below</i> ) along with other existing members of the promoter and promoter group of the Target Company
PA/Public Announcement	Public announcement dated February 22, 2022 issued by the Manager on behalf of the Acquirer, in connection with the Offer
Public Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirer, the existing members of the promoter and promoter group of the Target Company, and the parties to the SPA ( <i>as defined below</i> ) including persons deemed to be acting in concert with such parties to

	the SPA.
Registrar to the Offer	KFin Technologies Limited ( <i>formerly known as KFin Technologies Private Limited</i> )
RBI	Reserve Bank of India
Sale Shares	Up to 98,33,754 (Ninety Eight Lakh Thirty Three Thousand Seven Hundred Fifty Four only) Equity Shares which the Acquirer has agreed to acquire under the SPA ( <i>as defined below</i> ) from the Sellers at a price not exceeding INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only).
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Sellers	Mr V.M. Lakshminarayanan (" <b>Seller 1</b> "), Mr V.M. Balasubramaniam (" <b>Seller 2</b> "), Mr V.M. Seshadri (" <b>Seller 3</b> "), Mr V.M. Gangadharam (" <b>Seller 4</b> "), Mr V.M. Kumaresan (" <b>Seller 5</b> "), V.M. Chettiar & Sons India LLP (" <b>Seller 6</b> "), and LLM Appliances Private Limited (" <b>Seller 7</b> "), collectively
SPA	Share purchase agreement executed by the Acquirer with the Sellers and the Target Company on February 22, 2022
STCG	Short Term Capital Gains
Stock Exchanges	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE and NSE
STT	Securities Transaction Tax
Target Company	Butterfly Gandhimathi Appliances Limited
Tendering Period	Period expected to commence on Wednesday, April 13, 2022 and close on Thursday, April 28, 2022, both days inclusive
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Underlying Transaction	The acquisition of Sale Shares in terms of the SPA
Voting Share Capital	The total voting equity share capital of the Target Company on a fully diluted basis as of the tenth (10th) Working Day from the closure of the tendering period of the Open Offer
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

**Note:** All capitalized terms used in this DLOF and not specifically defined herein shall have the meaning ascribed to them in the SEBI (SAST) Regulations.

## 2. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF 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 REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF BUTTERFLY GANDHIMATHI APPLIANCES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY 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 THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER - KOTAK MAHINDRA CAPITAL COMPNAY LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 4, 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 DLOF together with the PA dated February 22, 2022 and the DPS that was published on February 24, 2022 in connection with the Offer, has been prepared for the purposes of compliance with applicable laws and regulations of the SEBI (SAST) Regulations. 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. Neither the delivery of this DLOF and/or the LOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and/or the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date, nor is it to be implied that the Acquirer or any persons deemed to act in concert with them are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LOF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this DLOF and/or the LOF under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

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

### 3. DETAILS OF THE OFFER

#### 3.1. Background of the Offer

3.1.1. The Offer is mandatory open offer being made by the Acquirer to the Public Shareholders of the Target Company in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

3.1.2. The Acquirer has entered into a share purchase agreement dated February 22, 2022 with the Sellers and the Target Company (“SPA”) to acquire up to 98,33,754 Equity Shares, representing up to 55.00% of the Voting Share Capital from the Sellers (“Sale Shares”), at a price of Rs 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Equity Share from the Sellers, aggregating up to INR 1379,67,56,862 (Indian Rupees One Thousand Three Hundred Seventy Nine Crore Sixty Seven Lakh Fifty Six Thousand Eight Hundred and Sixty Two only) (“Purchase Consideration”) subject to the terms and conditions set out in the SPA, including certain price adjustments, and fulfilment of customary closing conditions (“Underlying Transaction”). The details of the Sale Shares being sold under the SPA are set out below:

Sr. No	Seller	Number of Sale Shares	Percentage of Voting Share Capital
1	V.M. Lakshminarayanan	6,91,776	3.87%
2	V.M. Balasubramaniam	6,91,776	3.87%
3	V.M. Seshadri	6,91,776	3.87%
4	V.M. Gangadharam	6,91,776	3.87%
5	V.M. Kumaresan	6,91,776	3.87%
6	V.M. Chettiar & Sons India LLP	35,07,100	19.62%
7	LLM Appliances Private Limited	28,67,774	16.04%
	<b>Total</b>	<b>98,33,754</b>	<b>55.00%</b>

3.1.3. It is clarified that out of the Sale Shares, LLM Appliances Private Limited (i.e., Seller 7) has the flexibility to sell up to 1,78,796 Equity Shares, representing up to 1.00% of the Voting Share Capital (“Liquidity Shares 1”), on-market, between the execution date of the SPA and the date immediately preceding the Trade Execution Date (*as defined in the SPA*). In case, Seller 7 does not sell or partly sells the Liquidity Shares 1, within the prescribed time, then Seller 7 shall be required to sell the balance Liquidity Shares 1 to the Acquirer at the same price as the Sale Shares. In case Seller 7 sells all the Liquidity Shares 1, within the prescribed time, then the Acquirer would acquire an aggregate of 96,54,958 Equity Shares representing 54.00% of the Voting Share Capital from the Sellers.

3.1.4. Further, in terms of the SPA, the Acquirer will also acquire: (a) certain prior trademarks, and (b) certain trademarks in allied and cognate classes, *vis-à-vis* the trademarks held by the Target Company from: (a) LLM Appliances Private Limited (i.e., Seller 7), for a consideration for INR 17,00,00,000 (Indian Rupees Seventeen Crore only); (b) Sivagurunathan Industries (through its partners Mr V.M.G. Viswanathan, Mr V.M.L. Senthilnathan) for a consideration of INR 4,64,00,000 (Indian Rupees Four Crore and Sixty Four Lakh only), and (c) Swaminathan Enterprises Private Limited, for a consideration of INR 8,74,00,000 (Indian Rupees Eight Crore and Seventy Four Lakh only); aggregating to a total consideration of INR 30,38,00,000 (Indian Rupees Thirty Crore and Thirty Eight Lakh only) (“Trademark Acquisition”). Seller 7, partners of Sivagurunathan Industries, and Swaminathan Enterprises Private Limited are part of the promoter/promoter group of the Target Company or are related to them. Since the Trademark Acquisition is a part of the SPA and is relevant to protect the trademarks of the Target Company, in terms of Regulation 8(7) of the SEBI (SAST) Regulations, the Acquirer has added

INR 30.90 (Indian Rupees Thirty and Ninety Paise only) per Equity Share to the price determined under Regulation 8(2) of the SEBI (SAST) Regulations for the purpose of arriving at the Offer Price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share.

- 3.1.5. Additionally, in terms of the SPA, the Underlying Transaction may be consummated either on-market or by way of off-market transfers. In case, the Underlying Transaction is consummated on the floor of the stock-exchange, and any or all of the Sellers continue to hold any Sale Shares after undertaking the transactions envisaged under the SPA ("**Slippage Shares**"), then such Sellers are required to sell the Slippage Shares within a specified time. However, if the Sellers are unable to sell the Slippage Shares, then in terms of the SPA, subject to applicable law, the Acquirer shall purchase such number of Slippage Shares from the Sellers which are equivalent to the difference between the Offer Shares minus the Equity Shares actually tendered and accepted in the Open Offer ("**Open Offer Shortfall**"), by way of an off-market sale, at the same price as the Sale Shares. It is clarified that the Slippage Shares will be acquired post completion of the Open Offer.
- 3.1.6. The Acquirer may consummate the transactions envisaged in the SPA through the stock exchange settlement process in accordance with Regulation 22(2A) of the SEBI (SAST) Regulations. In such a scenario, if Sale Shares are to be delivered to the Acquirer before requirements specified in Regulation 22(2) of the SEBI (SAST) Regulations are satisfied, the Sale Shares will be kept in a share escrow account ("**Share Escrow**"). The Acquirer will not be entitled to exercise voting rights with respect to the Sale Shares kept in Share Escrow, as required under the SEBI (SAST) Regulations. The Acquirer will be permitted to transfer the Sale Shares to its demat account and exercise voting rights in relation to the Sale Shares after compliance with requirements specified in Regulation 22(2) of SEBI (SAST) Regulations.
- 3.1.7. Simultaneously with the execution of the SPA, Sellers 1 to 5 along with certain Other Promoters, namely Mrs V.M.B. Unnamalai, Mrs V.M.K. Mangalam, Mrs V.M.G. Sivakami, Mrs V.M.L. Shenbaga Lakshmi, and Mr V.M.L. Karthikeyan (collectively "**NDU Parties**") have executed a non-disposal undertaking in relation to 13,91,035 Equity Shares (other than the Sale Shares), representing 7.78% of the Voting Share Capital ("**Restricted Shares**"), held by them in favour of the Acquirer ("**NDU**"). Pursuant to the NDU, the NDU Parties have agreed not to dispose of such Equity Shares in the Target Company from its execution until a period of 18 (eighteen) months from the Closing Date (*as defined in the SPA*).
- 3.1.8. The total consideration for SPA shall be paid in cash by the Acquirer. The Offer Price shall be payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the PA, DPS, and DLOF, and Letter of Offer.
- 3.1.9. Salient features of the SPA are set out below:
- (a) The obligations of the Acquirer to purchase the Sale Shares is subject to the fulfilment of, *inter alia*, the following conditions (unless waived by the Acquirer):
- (i) The Target Company shall have delivered a Closing Cash and TD Statement (*as defined in the SPA*) within the time prescribed under the SPA.
- (ii) The Target Company shall have delivered: (a) the Delivered Financial Statements (*as defined in the SPA*); and (b) the certain specified letters, required to be delivered before the Trade Execution Date (*as defined in the SPA*).
- (iii) The Sellers shall have caused each of Butterfly Toys and Games Limited, Butterfly Electricals and Electronics Private Limited, Mr. V.M.L Karthikeyan and others trading as Sivagurunathan Industries, to file cancellation applications with respect

to identified intellectual property set out in the SPA, within 10 Business Days (*as defined in the SPA*) from the execution date of the SPA.

- (iv) The Sellers shall have arranged for physical inspection by the Acquirer and its advisors of title documents relating to Owned Properties (*as defined in the SPA*) available with SBI Capital Trustee Limited.
  - (v) Identified Sellers shall have transferred a prescribed amount into the transaction escrow account, within the timelines agreed in writing between the Acquirer and the Sellers.
  - (vi) The Target Company shall procure, and the Sellers shall ensure that the Target Company procures prior written consent from the certain identified counterparties for the transaction.
- (b) The obligations of the Sellers to sell the Sale Shares is subject to the fulfilment of, *inter alia*, the following conditions (unless waived by the Seller):
- (i) The Acquirer having deposited in cash an amount equal to the Maximum Consideration in the Escrow Account.
  - (ii) The Acquirer having sufficient funds on the Trade Execution Date (*as defined in the SPA*) to pay the Purchase Consideration to the Sellers on the Trade Execution Date (*as defined in the SPA*).
- (c) The Purchase Consideration is subject to certain adjustments as specified under the SPA, pursuant to which an agreed portion of funds will be deposited in a transaction escrow account as a condition precedent to closing of the Underlying Transaction. Such amounts will be released upon joint instructions of the Acquirer and identified Sellers.
- (d) Out of the Sale Shares, Seller 7 has the flexibility to sell the Liquidity Shares 1. It is clarified that out of the Sale Shares, LLM Appliances Private Limited (i.e., Seller 7) has the flexibility to sell up to 1,78,796 Equity Shares, representing up to 1.00% of the Voting Share Capital ("**Liquidity Shares 1**"), on-market, between the execution date of the SPA and the date immediately preceding the Trade Execution Date (*as defined in the SPA*). In case, Seller 7 does not sell or partly sells the Liquidity Shares 1, within the prescribed time, then Seller 7 shall be required to sell the balance Liquidity Shares 1 to the Acquirer at the same price as the Sale Shares. In case Seller 7 sells all the Liquidity Shares 1, within the prescribed time, then the Acquirer would acquire an aggregate of 96,54,958 Equity Shares representing 54.00% of the Voting Share Capital from the Sellers.
- (e) The Lead Promoter Group (*defined below*), are entitled to transfer, encumber or dispose of an additional 3,57,483 Equity Shares ("**Liquidity Shares 2**") (other than the Sale Shares and Restricted Shares) representing up to 2.00% of the Voting Share Capital before or after the Trade Execution Date (*as defined in the SPA*) whether by way of an on-market transaction or otherwise.
- (f) The Target Company and Sellers are subject to customary standstill covenants. The SPA contains *inter alia* provisions in relation to certain representations, warranties and indemnities provided by the Sellers to the Acquirer.
- (g) The Sellers have agreed to certain non-compete and non-solicit obligations set out in the SPA. It is clarified that no separate consideration is payable for undertaking such obligations by the Sellers.

- (h) The Sellers have agreed to a non-disposal obligation in relation to (A) any or all Equity Shares held by the Sellers or certain identified persons including Sellers 1 to 5 and their relatives as specified in the SPA ("**Lead Promoter Group**") until the Closing Date (as defined in the SPA), and (B) the Equity Shares held by the Sellers or their Lead Promoter Group immediately following the Closing Date (*as defined in the SPA*) until completion of 18 months from the Closing Date (*as defined in the SPA*). This obligation does not apply to (A) Liquidity Shares 2; (B) Liquidity Shares 1 until the Closing Date (*as defined in the SPA*), and (C) Slippage Shares. Further, the Lead Promoter Group are restricted from acquiring any Equity Shares until completion of 18 months from the Closing Date (*as defined in the SPA*).
- (i) The transactions contemplated under the SPA may be consummated either on-market or by way of off-market transfers. If it is consummated on the floor of the stock-exchange, the number of Sale Shares actually sold by the Sellers may be less than the total number of Sale Shares ("**Sell Bid Slippage**") and/or actually purchased by the Acquirer may be less than the total number of Sale Shares ("**Buy Bid Slippage**"). In such a scenario, the number of Sale Shares shall be adjusted accordingly. It is clarified that the Sellers and Acquirer are not liable to each other for any Sell Bid Slippage or Buy Bid Slippage.
- (j) In case, any or all of the Sellers continue to hold any Sale Shares due to the Sell Bid Slippage ("**Slippage Shares**"), then such Sellers are required to sell the Slippage Shares within a specified time. However, if the Sellers are unable to sell the Slippage Shares, then in terms of the SPA, subject to applicable law, the Acquirer shall purchase such number of Slippage Shares from the Sellers which are equivalent to the difference between the Offer Shares minus the Equity Shares actually tendered and accepted in the Open Offer ("**Open Offer Shortfall**"), by way of an off-market sale, at the same price as the Sale Shares. It is clarified that the Slippage Shares will be acquired post completion of the Open Offer.
- (k) The Sellers along with the Other Promoters shall submit an application to the Target Company to be reclassified as public shareholders on the later of, (a) the Closing Date (*as defined in the SPA*), and (b) within 2 days of completion of sale of Slippage Shares, resulting in the promoter shareholding falling below 10% of the Voting Share Capital.
- (l) On the Closing Date (*as defined in the SPA*), following actions, *inter alia*, shall be undertaken:
  - (i) The Sellers shall ensure that the Sellers and employees/directors of the Target Company forming part of the Lead Promoter Group deliver resignation letters with effect from the Closing Date (as defined in the SPA).
  - (ii) The Sellers shall cause (a) LLM Appliances Private Limited (Seller 7), (b) Sivagurunathan Industries, and (c) Swaminathan Enterprises Private Limited to duly execute the intellectual property assignment agreements.
  - (iii) The Purchaser shall execute and deliver duly signed and stamped intellectual property assignment agreements.
  - (iv) The Target Company shall convene a meeting of its board of directors to: (A) take on record the transfer of Equity Shares from the Sellers to the Acquirer, and the Acquirer's status as the promoter of the Target Company; (B) approve appointment of directors nominated by the Acquirer; (C) take on record the resignation of the Sellers' nominee directors; (D) take on record the revocation of existing banking authorisations for operation of Target Company's bank accounts

and issuance of new banking authorisations; and (E) approve issuance of a notice to hold an extra-ordinary general meeting of the shareholders of the Target Company, or propose a resolution to be passed by postal ballot (or other e-voting facilities which may be available under applicable laws) to approve the appointment of directors nominated by the Acquirer, in accordance with the timelines required under applicable laws.

- (m) The SPA may be terminated:
  - (i) prior to the Trade Execution Date (*as defined in the SPA*) pursuant to mutual written consent of the parties;
  - (ii) at the sole option of the Acquirer:
    - A. upon non-fulfilment of Sellers' conditions precedent in terms of the SPA;
    - B. a competent court having issued an injunction restricting consummation of the Underlying Transaction during the period between the execution date of the SPA and Closing Date (*as defined in the SPA*), which has not been vacated prior to the Long Stop Date (*as defined in the SPA*); or
    - C. upon a material breach of the Target Company's standstill obligations, which is not cured by the Sellers within 7 Business Days (*as defined in the SPA*) of receipt of a notice in this regard from the Acquirer;
    - D. a breach of Fundamental Warranties (*as defined in the SPA*) made by the Sellers on the execution date of the SPA or Trade Execution Date (*as defined in the SPA*);
  - (iii) at the sole option of the Sellers, upon non-fulfilment of the Acquirer's conditions precedent in terms of the SPA.

3.1.10. As a consequence of undertaking the Underlying Transaction for purpose of substantial acquisition of shares, voting rights and control over the Target Company by the Acquirer, this Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. Further, pursuant to the consummation of the Underlying Transaction (*contemplated under the SPA*) and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will acquire sole control over the Target Company and shall become a promoter of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. The Sellers and Other Promoters intend to be reclassified as public shareholders, subject to receipt of necessary approvals required in terms of the SEBI (LODR) Regulations and the conditions prescribed therein.

3.1.11. The prime objective of the Acquirer for undertaking the Underlying Transaction and the Open Offer is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. With the complementary product portfolio and strong capabilities in manufacturing and R&D of the Target Company, and consequent scale synergies, the Acquirer plans to strengthen its current presence in kitchen appliances segment, expand its foothold across geographies with a diversified product portfolio and achieve a leadership position in the kitchen and small domestic appliances segment.

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

- 3.1.13. As on the date of this DLOF, there are no directors appointed by the Acquirer on the Board of the Target Company. On the Closing Date (*as defined in the SPA*), the Acquirer shall be entitled to nominate its directors to the Board of the Target Company.
- 3.1.14. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.
- 3.1.15. Pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, 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.

### 3.2. Details of the proposed Offer

- 3.2.1. This Open Offer is being made by the Acquirer to all the Public Shareholders of the Target Company to acquire up to 46,48,684 Equity Shares ("**Offer Shares**"), constituting 26.00% (twenty six percent) of the Voting Share Capital ("**Offer Size**"), at a price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share ("**Offer Price**"), which has been calculated in accordance with Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations read with Regulation 8(7) of the SEBI (SAST) Regulations, payable in cash, aggregating to a total consideration of INR 666,57,47,987.60 (Indian Rupees Six Hundred and Sixty Six Crore Fifty Seven Lakh Forty Seven Thousand Nine Hundred and Eighty Seven and Sixty Paise only) ("**Maximum Open Offer Consideration**"), subject to the terms and conditions mentioned herein.
- 3.2.2. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was filed with the Stock Exchanges and SEBI on February 22, 2022 and a copy thereof was also sent to the Target Company at its registered office on February 22, 2022. The PA is available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).
- 3.2.3. In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on February 24, 2022:

<b>Newspapers</b>	<b>Language</b>	<b>Editions</b>
Financial Express	English	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai edition
Makkal Kural	Tamil	Chennai edition

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on February 24, 2022. The DPS is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

- 3.2.4. As on the date of this DLOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company. There is no differential pricing for this Offer.

- 3.2.5. This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations. This Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 3.2.6. The Acquirer has not acquired any Equity Shares after the date of the PA, i.e. February 22, 2022 and up to the date of this DLOF.
- 3.2.7. The Manager does not hold any Equity Shares in the Target Company as on the date of this DLOF. The Manager shall not deal, on their own account, in the Equity Shares of the Target Company during the Offer Period.

### **3.3. Object of the acquisition/Offer**

- 3.3.1. The prime objective of the Acquirer for undertaking the Underlying Transaction and the Open Offer is to have substantial holding of Equity Shares and voting rights, accompanied by acquisition of control of the Target Company. With the complementary product portfolio and strong capabilities in manufacturing and R&D of the Target Company, and consequent scale synergies, the Acquirer plans to strengthen its current presence in kitchen appliances segment, expand its foothold across geographies with a diversified product portfolio and achieve a leadership position in the kitchen and small domestic appliances segment.
- 3.3.2. In terms of Regulation 25(2) of the SEBI (SAST) Regulations, subsequent to the completion of the Offer, the Acquirer reserves the right to streamline/restructure the operations, assets, liabilities and/or businesses of the Target Company through arrangement/reconstruction, restructuring, merger (including merger with itself), demerger and/or sale of assets or business or undertakings, at a later date. The Acquirer may also consider disposal of or otherwise encumbering any assets of the Target Company through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalising the assets, 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 due course, in accordance with the requirements of the business of the Target Company and in accordance with and as permitted by applicable law and subject to any approvals or consent as may be required.

## **4. BACKGROUND OF THE ACQUIRER**

### **4.1. Crompton Greaves Consumer Electricals Limited (“Acquirer”)**

- 4.1.1. The Acquirer is a public company limited by shares. It was incorporated on February 25, 2015 under the provisions of the Companies Act, 2013 (Company Identification Number (“CIN”): L31900MH2015PLC262254). There has been no change in the name of Acquirer since its incorporation.
- 4.1.2. The registered office of the Acquirer is situated at Tower 3, 1<sup>st</sup> Floor, East Wing, Equinox Business Park, LBS Marg, Kurla (West), Mumbai- 400070.
- 4.1.3. The Acquirer is primarily engaged in the business of electrical consumer durables and lighting products. The Acquirer manufactures and markets a wide spectrum of consumer products, ranging from fans, lamps and luminaries to pumps and household appliances such as water heaters, coolers, mixer grinders and irons.

4.1.4. As on the date of the DLOF, the issued and paid up share capital of the Acquirer is INR 125,61,98,474 (Indian Rupees One Hundred Twenty Five Crore Sixty One Lakh Ninety Eight Thousand Four Hundred and Seventy Four only) comprising of 62,80,99,237 equity shares of INR 2 (Indian Rupees Two only) each. The equity shares of the Acquirer (ISIN: INE299U01018) are listed on BSE and NSE. The non-convertible debentures of the Acquirer (ISIN: INE299U07056) are listed on the NSE.

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

SR NO	SHAREHOLDERS' CATEGORY	NUMBER OF SHARES	% OF SHARES
1.	Promoters and Promoter Group <sup>(1)</sup>	3,76,12,367	5.99
2.	FII/Mutual Funds/FIs/Banks/VCF/AIF	52,34,67,569	83.35
3.	Other Public Shareholders	59,04,26,962	10.66
4.	Non-Promoter Non-Public	-	-
<b>Total</b>		<b>62,80,39,329<sup>(2)</sup></b>	<b>100.00</b>

**Notes:**

(1) Please refer to paragraph 4.1.6 below.

(2) The Acquirer had allotted 59,908 equity shares on January 6, 2022, pursuant to exercise of employee stock options by the grantee(s). Accordingly, the total shares issued by the Acquirer as of the date of this DLOF is 62,80,99,237.

4.1.6. The Acquirer does not belong to any group. The names of the promoter and promoter group of the Acquirer as disclosed to the Stock Exchanges under Regulation 31 of the SEBI (LODR) Regulations, as of December 31, 2021 are Amalfiaco Limited (Promoter), Nirsinia Limited (Promoter Group), MacRitchie Investments Pte. Ltd (Promoter Group), AI Cool Midco 1 Limited (Promoter Group), AI Cool Midco 2 Limited (Promoter Group) and Seletar Investments Pte Limited (Promoter Group). The inter-se agreement dated April 23, 2015 between MacRitchie Investments Pte. Ltd., Amalfiaco Limited and Nirsinia Limited has since been terminated in accordance with its terms. MacRitchie Investments Pte. Ltd does not have control rights and will not be exercising control over the Acquirer. The Acquirer had filed an application for re-classification of promoters under Regulation 31A of the SEBI (LODR) Regulations on October 29, 2021 for the removal of 1. Amalfiaco Limited, 2. Nirsinia Limited, 3. AI Cool Midco 1 Limited and 4. AI Cool Midco 2 Limited, from the "promoter/promoter group" category, and received approval for their reclassification on January 28, 2022.

4.1.7. No other person is acting in concert with the Acquirer for the purposes 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"), such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

4.1.8. As on the date of this DLOF, the Acquirer, its directors, and its key employees do not hold any ownership/interest/relationship/Equity Shares/voting rights in the Target Company, except as detailed in paragraph 3.1 (*Background to the Open Offer*) of this DLOF. Further, none of the directors of the Acquirer are on the board of directors of the Target Company.

4.1.9. As on the date of this DLOF, 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 Securities and Exchange Board of India Act, 1992, as amended ("**SEBI Act**") or under any other regulations made under the SEBI Act.

4.1.10. Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, as on the date of this DLOF, are as follows:

Name	Qualifications & Experience	Date of Appointment/ Reappointment
<p><b>Mr Hemant Madhusudan Nerurkar</b> Designation: Independent Director DIN: 00265887</p>	<p><b>Qualifications:</b> Bachelor's degree in Metallurgical Engineering from College of Engineering, Pune (CoEP) University</p> <p><b>Experience:</b> Mr Nerurkar has vast experience in Tata Steel Limited across various positions including managing director and in-charge of India and Southeast Asia operations. Presently, Mr Nerurkar is a member of the board of directors of various listed companies including DFM Foods Limited, Igarashi Motors Limited, NCC Limited and Adani Enterprises Limited.</p>	<p>Date of appointment: January 25, 2016</p> <p>Date of reappointment: January 25, 2021</p>
<p><b>Mr D Sundaram</b> Designation: Independent Director DIN: 00016304</p>	<p><b>Qualifications:</b> Post Graduate in Management Studies (MMS) from Chennai University, Fellow Member of Institute of Cost and Management Accountants of India, and attended Harvard Business School's Advanced Management Programme</p> <p><b>Experience:</b> Mr Sundaram was associated with Hindustan Unilever Limited wherein he held various positions before becoming the vice-chairman in 2008. He has been on the Board of Governors of the Institute of Financial Management and Research, Chennai. Presently, Mr Sundaram is a member of the board of directors of various listed companies including, ACC Limited, Glaxosmithkline Pharmaceuticals Limited and Infosys Limited. He is also on the boards of various TVS group companies.</p>	<p>Date of appointment: September 18, 2015</p> <p>Date of reappointment: September 18, 2020</p>
<p><b>Mr P.M. Murty</b> Designation: Independent Director DIN: 00011179</p>	<p><b>Qualifications:</b> MBA from Indian Institute of Management, Calcutta</p> <p><b>Experience:</b> Mr Murty has worked at Asian Paints Limited, wherein he held various senior positions including that of the managing director.</p>	<p>Date of appointment: September 18, 2015</p> <p>Date of reappointment: September 18, 2020</p>
<p><b>Mr Shantanu Khosla</b> Designation: Managing Director DIN: 00059877</p>	<p><b>Qualifications:</b> BE (Metallurgical Engineering) from Indian Institute of Technology, Bombay and MBA from Indian Institute of Management, Calcutta</p>	<p>Date of appointment: January 1, 2016</p>

Name	Qualifications & Experience	Date of Appointment/ Reappointment
	<p><b>Experience:</b> Mr Khosla has served as the managing director of Procter &amp; Gamble Hygiene and Healthcare Limited and Gillette India Limited. He was appointed as the managing director of the Acquirer with effect from January 1, 2016. Mr Khosla was also the chairman of the board of the Advertising Standards Council of India.</p>	<p>Date of reappointment: January 1, 2021</p>
<p><b>Ms Smita Anand</b> Designation: Independent Director DIN: 00059228</p>	<p><b>Qualifications:</b> MBA from Allahabad University</p> <p><b>Experience:</b> Ms Anand has worked with Korn Ferry as the managing director at Leadership Consulting India and Asia head of Korn Ferry's Board/CEO Succession Solutions. She was also member of the board of directors of Aon Services India Private Limited. Earlier in her career, she held various consulting and senior leadership roles at Ernst &amp; Young and PricewaterhouseCoopers, as head of the Human Capital Services practice.</p>	<p>Date of appointment: December 10, 2018</p>
<p><b>Mr Promeet Ghosh</b> Designation: Non-Executive Director DIN: 05307658</p>	<p><b>Qualifications:</b> BE from Regional Engineering College, Trichy and MBA from Indian Institute of Management, Calcutta</p> <p><b>Experience:</b> Mr Ghosh has spent approximately 20 years in investment banking and was also the managing director at DSP Merrill Lynch Limited, the investment banking arm of Bank of America in India. Presently, Mr Ghosh is also member of the board of directors of a director in Temasek Holdings Advisors India Private Limited and Schneider Electric India Private Limited.</p>	<p>Date of appointment: August 16, 2016</p>
<p><b>Mr P.R. Ramesh</b> Designation: Independent Director DIN: 01915274</p>	<p><b>Qualifications:</b> Chartered Accountant</p> <p><b>Experience:</b> Mr Ramesh was a partner in Deloitte Haskins &amp; Sells LLP, Touche Ross &amp; Co. LLP and a director of Deloitte &amp; Touche Assurance &amp; Enterprise Risk Services India Private Limited, Bombay Chamber of Commerce and Industry and the Council of EU Chambers of Commerce in India. Presently, Mr. Ramesh is also a member of the board of directors of various companies including, Nestle India Limited, Cipla Limited and HDFC Limited.</p>	<p>Date of appointment: May 21, 2021</p>

Name	Qualifications & Experience	Date of Appointment/ Reappointment
<p><b>Mr Mathew Job</b> Designation: Executive Director &amp; Chief Executive Officer DIN: 01915274</p>	<p><b>Qualifications:</b> B.Tech in Technology (Electrical &amp; Electronics), from University of Kerala and MBA from Indian Institute of Management, Calcutta</p> <p><b>Experience:</b> Mr. Job served as the managing director of Racold (Ariston) Thermo Limited till September 2015. Prior to that, he was the vice president and managing director of Grohe India Private Limited. Mr Job has also held various key roles with Philips Electronics India Limited.</p>	<p>Date of appointment: January 22, 2021</p>
<p><b>Ms Hiroo Mirchandani</b> Designation: Independent Director DN:06992518</p>	<p><b>Qualifications:</b> Chevening Gurukul scholar from the London School of Economics, MBA from Faculty of Management Studies, Delhi University, and Bachelor's degree in Commerce from Shri Ram College of Commerce</p> <p><b>Experience:</b> Ms Mirchandani has held customer facing roles in P&amp;L, marketing and sales in various organizations such as Asian Paints, Dabur and Pfizer. She is currently an independent director on the board of directors of Tata Teleservices (Maharashtra) Limited, Nilkamal Limited and MedPlus Health Services Limited. In the past, Ms Mirchandani was member of the board of directors of DFM Foods Limited and Polycab India Limited.</p>	<p>Date of appointment: January 28, 2022</p>

- 4.1.11. As on the date of this DLOF, none of the directors of the Acquirer are on the board of directors of the Target Company.
- 4.1.12. Neither the Acquirer nor any of its directors or key employees have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.13. Consolidated unaudited limited review financial information as at and for the six-month period ended September 30, 2021 and consolidated audited financial information for each of the three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Acquirer extracted from the relevant financial statements, are as follows:

In INR crore, except per share data

Profit & Loss Statement	For the six-month period ended September 30, 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from operations	2,435.60	4,803.51	4,520.26	4,478.91
Other Income	36.46	75.75	59.05	48.01
<b>Total Income</b>	<b>2,472.06</b>	<b>4,879.26</b>	<b>4,579.31</b>	<b>4,526.92</b>
Total Expenditure (Excluding Depreciation & Amortization, Interest and Tax)	(2,096.45)	(4,083.03)	(3,921.16)	(3,894.59)
Profit Before Depreciation & Amortization, Interest and Tax	375.61	796.23	658.15	632.33
Depreciation and Amortization	(17.63)	(29.69)	(26.79)	(12.89)
Interest	(18.09)	(42.91)	(40.67)	(59.60)
Profit Before Tax	<b>339.89</b>	<b>723.63</b>	<b>590.69</b>	<b>559.84</b>
Provision for Tax	(86.32)	(106.98)	(94.30)	(158.45)
<b>Profit After Tax</b>	<b>253.57</b>	<b>616.65</b>	<b>496.39</b>	<b>401.39</b>

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited consolidated financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (LODR) Regulations.
- (2) The financial information set forth above has been extracted from Acquirer's consolidated audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Acquirer.

In INR crore, except per share data

Balance Sheet Statement	For the six-month period ended September 30, 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>				
Paid up share capital	125.60	125.54	125.46	125.40
Reserves and Surplus (Excluding Revaluation Reserves)	1,932.07	1,805.89	1,342.88	971.94
<b>Net worth</b>	<b>2,057.67</b>	<b>1,931.43</b>	<b>1,468.34</b>	<b>1,097.34</b>
Non-current liabilities	202.92	320.23	198.83	366.55
Current liabilities	1,178.58	1,365.64	1,084.65	1,205.76
<b>Total</b>	<b>3,439.17</b>	<b>3,617.30</b>	<b>2,751.82</b>	<b>2,669.65</b>
<b>Uses of funds</b>				
Net fixed assets <sup>(3)</sup>	940.34	925.85	928.87	864.13
Investments	998.99	769.73	540.82	541.21
Other Non-current assets <sup>(4)</sup>	105.14	84.79	81.28	85.65
Other Current assets <sup>(5)</sup>	1,394.70	1,836.93	1,200.85	1,178.66
<b>Total</b>	<b>3,439.17</b>	<b>3,617.30</b>	<b>2,751.82</b>	<b>2,669.65</b>

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited consolidated financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (LODR) Regulations.
- (2) The financial information set forth above has been extracted from Acquirer's consolidated audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Acquirer.

*In INR crore, except per share data*

Other Financial Data	For the six-month period ended September 30, 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Earnings per share (Basic)	4.04 <sup>(6)</sup>	9.83	7.92	6.40
Earnings per share (Diluted)	4.00 <sup>(6)</sup>	9.75	7.85	6.36
Dividends (%) <sup>(7)</sup>	N.A.	55.96%	N.A.	31.23%
Return on net worth <sup>(8)</sup>	N.A.	36.28%	38.69%	42.55%
Book value per share <sup>(9)</sup>	32.76	30.77	23.41	17.5

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited consolidated financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (LODR) Regulations.
- (2) The financial information set forth above has been extracted from Acquirer's consolidated audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Acquirer.
- (3) Net fixed assets include property, plant and equipment, capital work-in-progress, goodwill, intangible assets and other intangible assets under development.
- (4) Other non-current assets shall mean total non-current assets (less) net fixed assets.
- (5) Other current assets shall mean total current assets (less) current investments
- (6) Not annualized
- (7) Dividend payout (%) is calculated as dividend per share/basic earnings per share.
- (8) Return on net worth for any year is calculated as profit after tax for the year/average of closing net worth for the year and the prior year.
- (9) Book value per share is calculated as closing net worth/no. of Equity Shares at the end of the year.

4.1.14. The contingent liabilities and commitments of the Acquirer as on March 31, 2021, as extracted from the Acquirer's consolidated audited financial statements as on and for the financial year ended March 31, 2021 are set out below:

*In INR crore*

Particulars	As at and for the financial year ended March 31, 2021
<b>(i) Contingent Liabilities</b>	
a) Claims against the Company not acknowledged as debts	23.72
b) Income tax liability that may arise in respect of matters in appeal	29.01
c) Excise duty/customs duty/service tax liability that may arise in respect of matters in appeal	5.96
d) GST/Entry Tax/Sales tax/VAT liability that may arise in respect of matters in appeal	112.97
<b>(ii) Commitments</b>	
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	6.48

**Notes:**

- (1) The Acquirer does not expect any reimbursements in respect of the above contingent liabilities.
- (2) It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at (a) to (d) above, pending resolution of the arbitration/appellate proceedings

- 4.1.15. The Acquirer is in compliance with the corporate governance requirements under the SEBI (LODR) Regulations.
- 4.1.16. The Company Secretary & Compliance Officer of the Acquirer is Ms. Pragya Kaul, contact: +91-22-6167 8499, e-mail: [pragya.kaul@crompton.co.in](mailto:pragya.kaul@crompton.co.in).
- 4.1.17. As on the date of PA, the closing market price of the equity shares of the Acquirer was INR 378.60 (Indian Rupees Three Hundred and Seventy Eight and Sixty Paise only) on BSE and INR 380.00 (Indian Rupees Three Hundred and Eighty only) on NSE.

## 5. BACKGROUND OF THE TARGET COMPANY

- 5.1. The Target Company is a public limited company incorporated on February 24, 1986 under the provisions of the Companies Act, 1956. The Target Company was incorporated under the name of Gandhimathi Appliances Limited on February 24, 1986, which was subsequently changed to its current name Butterfly Gandhimathi Appliances Limited on October 25, 2011.
- 5.2. The registered office of the Target Company is situated at 143, Pudupakkam Village, Vandalur-Kelambakkam Road, Kelambakkam, Chengalpattu, Tamil Nadu, 603103. The CIN of the Target Company is L28931TN1986PLC012728.
- 5.3. The Target Company is engaged in manufacturing, marketing and distribution of kitchen and small domestic appliances.
- 5.4. The Equity Shares are listed on BSE (Scrip code: 517421) and NSE (Symbol: BUTTERFLY). The ISIN of the Equity Shares is INE295F01017. The entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchanges.
- 5.5. The Equity Shares of the Target Company are frequently traded on both NSE and BSE within the meaning of the explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 5.6. As on the date of this DLOF, the Voting Share Capital is as follows:

Particulars	Issued and paid up Equity Shares	% of Voting Share Capital
Fully paid up Equity Shares	1,78,79,551	100.00
Partly paid up Equity Shares	Nil	Nil
Outstanding convertible instruments (such as depository receipts, fully convertible debentures, warrants, or employee stock options)	Nil	Nil
<b>Voting Share Capital (Total)</b>	<b>1,78,79,551</b>	<b>100.00</b>

- 5.7. As on the date of the DLOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures, warrants, or employee stock options), issued by the Target Company.
- 5.8. There are no outstanding shares of the Target Company that have been issued but not listed on the Stock Exchanges.
- 5.9. The trading of the Equity Shares is currently not suspended on the Stock Exchanges.

- 5.10. The Target Company has complied with the listing requirements and no penal/punitive actions have been taken by the Stock Exchanges.
- 5.11. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years.
- 5.12. Names, DIN, designation and date of appointment of the directors on the board of directors of the Target Company, are as follows:

Name	Director Identification Number (DIN)	Date of Appointment <sup>(1)</sup>	Designation
Mr V.M. Lakshminarayanan	00106346	April 30, 2003	Chairman & Managing Director
Mr V.M. Balasubramaniam	00106428	January 1, 1993	Vice Chairman & Managing Director
Mr V.M. Seshadri	00106506	June 1, 2011	Managing Director
Mr V.M. Gangadharam	00106466	October 1, 1994	Executive Director
Mr V.M. Kumaresan	00835948	June 1, 2007	Executive Director
Mr M. Padmanabhan	00101997	January 30, 1999	Independent Director
Mr A. Balasubramanian	00490921	November 14, 2011	Independent Director
Mr G.S. Samuel	05284689	May 11, 2012	Independent Director
Mr T.R. Srinivasan	00367302	May 30, 2013	Independent Director
Mr Maheshwari Mohan	07156606	March 31, 2015	Independent Director

**Note:**

(1) *The date of appointment of the directors have been extracted from the resolutions passed by the board of directors of Target Company in relation to such appointments.*

- 5.13. As on the date of this DLOF, there are no directors representing the Acquirer and none of the directors of the Acquirer have been appointed as directors on the Board of the Target Company.
- 5.14. The Target Company has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 5.15. Neither the Target Company nor any of its promoters or directors or key employees have been categorized or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 5.16. Unaudited limited review financial information as at and for the six-month period ended September 30, 2021 and audited financial information for each of the three financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Target Company extracted from the relevant financial statements, are as follows:

In INR crore, except per share data

Profit & Loss Statement	For the six-month period ended September, 30 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Income from operations	547.50	869.64	678.70	651.98
Other Income	0.78	1.58	1.46	2.05
<b>Total Income</b>	<b>548.28</b>	<b>871.22</b>	<b>680.15</b>	<b>654.03</b>
Total Expenditure (Excluding Depreciation & Amortization, Interest and Tax)	(493.14)	(789.95)	(637.95)	(606.30)
Profit Before Depreciation & Amortization, Interest and Tax	55.14	81.27	42.20	47.74
Depreciation and Amortization	(8.21)	(15.55)	(13.94)	(12.89)
Interest	(6.32)	(17.37)	(24.13)	(22.45)
<b>Profit Before Tax</b>	<b>40.60</b>	<b>48.35</b>	<b>4.13</b>	<b>12.39</b>
Provision for Tax	(14.19)	(12.19)	(0.15)	(2.82)
<b>Profit After Tax</b>	<b>26.42</b>	<b>36.16</b>	<b>3.98</b>	<b>9.57</b>

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (2) The financial information set forth above has been extracted from Target Company's audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Target Company.

In INR crore, except per share data

Balance Sheet Statement	For the six-month period ended September, 30 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>				
Paid up share capital	17.88	17.88	17.88	17.88
Reserves and Surplus (Excluding Revaluation Reserves)	231.46	205.31	174.00	170.74
Revaluation Reserve	0.80	0.80	0.80	0.80
<b>Net worth</b>	<b>250.14</b>	<b>223.99</b>	<b>192.68</b>	<b>189.42</b>
Non-current liabilities	23.68	13.87	35.70	42.18
Current liabilities	354.55	250.97	263.72	232.25
<b>Total</b>	<b>628.37</b>	<b>488.83</b>	<b>492.10</b>	<b>463.84</b>
<b>Uses of funds</b>				
Net fixed assets <sup>(3)</sup>	166.84	166.18	171.92	173.69
Investments	0.34	0.28	0.18	0.23
Other Non-current Assets <sup>(4)</sup>	9.42	10.54	7.31	2.44
Current assets	451.80	311.82	312.69	287.47
<b>Total</b>	<b>628.40</b>	<b>488.83</b>	<b>492.10</b>	<b>463.84</b>

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (2) The financial information set forth above has been extracted from Target Company's audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Target Company.

*In INR crore, except per share data*

Other Financial Data	For the six-month period ended September, 30 2021 <sup>(1)</sup>	As at and for the financial year ended March 31, 2021 <sup>(2)</sup>	As at and for the financial year ended March 31, 2020 <sup>(2)</sup>	As at and for the financial year ended March 31, 2019 <sup>(2)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Basic Earnings Per Share	14.78 <sup>(5)</sup>	20.22	1.83 <sup>(6)</sup>	5.15 <sup>(6)</sup>
Diluted Earnings Per Share	14.78 <sup>(5)</sup>	20.22	1.83 <sup>(6)</sup>	5.15 <sup>(6)</sup>
Dividends (%) <sup>(7)</sup>	20.30%	14.83%	n/a	n/a
Return on net worth <sup>(8)</sup>	n/a	17.36%	2.08%	5.18%
Book value per share <sup>(9)</sup>	139.91	125.28	107.77	105.94

**Notes:**

- (1) The financial information for the six-month period ended September 30, 2021 has been extracted from review report of the unaudited financial results for the six-months ended September 30, 2021 submitted to stock exchanges under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (2) The financial information set forth above has been extracted from Target Company's audited financial statements as on and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 audited by the statutory auditors of the Target Company.
- (3) Net fixed assets include property, plant and equipment, capital work-in-progress, other intangible assets and intangible assets under development.
- (4) Other non-current assets shall mean total non-current assets less net fixed assets.
- (5) Not annualized.
- (6) Total comprehensive income for the year/weighted average number of equity shares.
- (7) Dividend payout (%) is calculated as dividend per share/basic earnings per share.
- (8) Return on net worth for any year is calculated as Profit after tax for the year/average of closing net worth for the year and the prior year.
- (9) Book value per share is calculated as closing net worth/No. of Equity Shares at the end of the year.

5.17. The pre and post Offer shareholding pattern of the Target Company as on February 28, 2022 assuming full acceptances is as provided below:

Shareholders' category	Shareholding and voting rights prior to the agreement/ acquisition and offer <sup>(1)</sup>		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C) = (D)	
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%
<b>1 Promoters/ Promoter group</b>								
A Parties to the agreement, if any	1,05,71,719	59.13	(98,33,754) <sup>(2)</sup>	(55.00) <sup>(2)</sup>	-	-	7,37,965	4.13
B Promoters other than (A) above	10,10,553	5.65		-	-	-	10,10,553	5.65
<b>Total 1 (A+B)</b>	<b>1,15,82,272</b>	<b>64.78</b>	<b>(98,33,754)<sup>(2)</sup></b>	<b>(55.00)<sup>(2)</sup></b>			<b>17,48,518</b>	<b>9.78</b>
<b>2 Acquirer</b>								
A Acquirer	-	-	98,33,754 <sup>(2)</sup>	55.00 <sup>(2)</sup>	46,48,684	26.00	1,44,82,438 <sup>(2)</sup>	81.00 <sup>(2)</sup>
<b>Total 2</b>	<b>-</b>	<b>-</b>	<b>98,33,754<sup>(2)</sup></b>	<b>55.00<sup>(2)</sup></b>	<b>46,48,684</b>	<b>26.00</b>	<b>1,44,82,438<sup>(2)</sup></b>	<b>81.00<sup>(2)</sup></b>

Shareholders' category	Shareholding and voting rights prior to the agreement/acquisition and offer <sup>(1)</sup>		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/voting rights to be acquired in the open offer (assuming full acceptance)		Shares/voting rights after the acquisition and offer		
	(A)		(B)		(C)		(A)+(B)+(C) = (D)		
	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	No. of Equity Shares	%	
3	Parties to agreement (other than 1 or 2)	-	-	-	-	-	-	-	
4	Public (other than under 1, 2 and 3) <sup>(3)</sup>								
A	MFs/FPIs/Banks/AIFs	17,95,684	10.04	-	-	(46,48,684)	(26.00)	16,48,595	9.22
B	Others	45,01,595	25.18	-	-				
	<b>Total 4 (A+B)</b>	<b>62,97,279</b>	<b>35.22</b>	<b>-</b>	<b>-</b>	<b>(46,48,684)</b>	<b>(26.00)</b>	<b>16,48,595</b>	<b>9.22<sup>(4)</sup></b>
	<b>Grand Total (1+2+3+4)</b>	<b>1,78,79,551</b>	<b>100.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,78,79,551</b>	<b>100.00</b>

**Notes:**

- (1) Based on shareholding as of February 28, 2022. Prior to the PA, the Acquirer held nil shares in the Target Company.
- (2) Seller 7 has the flexibility to sell the Liquidity Shares 1. For further details, please refer to paragraph 3.1.3 of this DLOF.
- (3) The number of shareholders in the "public category" as on February 28, 2022 is 25,798.
- (4) Pursuant to the Underlying Transaction (contemplated under the SPA) and subject to compliance with the SEBI (SAST) Regulations, the Acquirer shall become the promoter of the Target Company, in accordance with the provisions of the SEBI (LODR) Regulations. Further, pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, 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.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of Offer Price

6.1.1. The Equity Shares of the Target Company are listed on BSE (Scrip code: 517421) and NSE (Symbol: BUTTERFLY). The ISIN of the Equity Shares of the Target Company is INE295F01017.

6.1.2. The trading turnover in the Equity Shares, based on the trading volumes on the Stock Exchanges during the twelve calendar months prior to the calendar month of the PA, i.e. from February 1, 2021 to January 31, 2022 ("**Relevant Period**"), is as given below:

Stock exchange	Total traded volumes during the Relevant Period ("A")	Weighted average number of Equity Shares during the Relevant Period ("B")	Trading turnover % (A/B)
BSE	29,98,751	1,78,79,551	16.77%
NSE	1,80,56,367	1,78,79,551	100.99%

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

6.1.3. Based on the above, the Equity Shares are frequently traded on both BSE and NSE in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.4. The Offer Price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Equity Share has been determined in terms of Regulations 8(1) and 8(2) read with Regulation 8(7) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sr. No.	Details	Price
(a)	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer i.e. the price per Equity Share under the SPA	INR 1,403.00
(b)	The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA	Not applicable
(c)	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer, during the twenty-six weeks immediately preceding the date of the PA	Not applicable
(d)	The volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the Equity Shares of the Target Company is recorded during such period and such shares being frequently traded	INR 1,242.57
(e)	Where the shares are not frequently traded, the price determined by the Acquirer and the Manager 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	Not applicable
(f)	The per Equity Share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not applicable <sup>(1)</sup>

**Note:** (1) Not applicable since the acquisition is not an indirect acquisition.

**Source:** Certificate issued by S.V. Shah & Associates, (FRN: 139517W) dated February 22, 2022.

6.1.5. In view of the parameters considered and presented in the table in paragraph 6.1.4 above, the minimum offer price per Equity Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of the above parameters, i.e. INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Equity Share.

6.1.6. Since the Trademark Acquisition is a part of the SPA and is relevant to protect the trademarks of the Target Company, in terms of Regulation 8(7) of the SEBI (SAST) Regulations, the Acquirer has added INR 30.90 (Indian Rupees Thirty and Ninety Paise only) per Equity Share to the price determined under Regulation 8(2) of the SEBI (SAST) Regulations, i.e., INR 1,403.00 (Indian Rupees One Thousand Four Hundred and Three only) per Equity Share, for the purpose of arriving at the Offer Price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share.

6.1.7. In view of the above, the Offer Price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise only) per Offer Share is justified in terms of Regulation 8 read with other applicable provisions of the SEBI (SAST) Regulations, and the same has been certified by S.V. Shah & Associates (FRN: 139517W).

6.1.8. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls between the date of this DLOF

up to 3 (three) Working Days prior to the commencement of the Tendering Period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.

- 6.1.9. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be undertaken by the Acquirer at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period of this Offer, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Further, in the event of any 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 3<sup>rd</sup> 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.
- 6.1.10. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the escrow amount in the Escrow Account; (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.
- 6.1.11. If the Acquirer acquires Equity Shares of the Target Company during the period of 26 (twenty six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Offer, within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, 2011, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.

## 6.2. Financial Arrangements

- 6.2.1. The Maximum Consideration, i.e., total funding requirement for the Open Offer assuming full acceptance of the Offer, is INR 666,57,47,987.60 (Indian Rupees Six Hundred and Sixty Six Crore Fifty Seven Lakh Forty Seven Thousand Nine Hundred and Eighty Seven and Sixty Paise only).
- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and the Manager have entered into an escrow agreement with Kotak Mahindra Bank Limited (acting through its branch office at Mittal Court, Nariman Point, Mumbai, the “**Escrow Agent**”) (“**Escrow Agreement**”), and the Acquirer has created an escrow account named “CGCEL- Open Offer Escrow A/c” (“**Escrow Account**”) with the Escrow Agent.
- 6.2.3. By way of security for performance by the Acquirer of their obligations under the SEBI (SAST) Regulations, it has deposited INR 142,50,00,000 (Indian Rupees One Hundred Forty Two Crore and Fifty Two Lakh only) in the Escrow Account till February 21, 2022. The amount deposited in the Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations i.e., 25% of the first INR 500,00,00,000 (Indian Rupees Five Hundred Crore only) of the Maximum Consideration and 10% of the remainder of the Maximum Consideration. The cash deposit has been confirmed by the Escrow Agent.

- 6.2.4. The Acquirer has authorized the Manager to operate and realize the value of the Escrow Account as per the provisions of the SEBI (SAST) Regulations.
- 6.2.5. In addition to the above, the Acquirer has also earmarked investments in mutual funds of INR 605,00,00,000 (Indian Rupees Six Hundred and Five Crore only), exclusively for the firm financing arrangement under Regulation 25(1) of the SEBI (SAST) Regulations. The Acquirer has confirmed that it has adequate and firm financial resources to fulfil the obligations under the Open Offer and has made firm financial arrangements for implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- 6.2.6. S.V. Shah & Associates, (FRN: 139517W), having its office at 208, Regent Chambers, 2nd Floor, Jamnalal Bajaj Road, 208, Nariman Point, Mumbai – 400021, Tel No: 022 4344 0123, (Ms. Sheetal Shah, Partner, membership no.: 102140), has vide its certificate dated February 22, 2022, certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill their obligations under this Offer.
- 6.2.7. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 6.2.8. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amount as mentioned above shall be made by the Acquirer, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

## **7. OTHER INFORMATION**

The Acquirer has entered into two separate agreements to acquire 9.12 acres of land from LLM Appliances Private Limited (i.e., Seller 7) for a consideration of INR 63,00,00,000 (Indian Rupees Sixty Three Crore only) and 3.37 acres of land from Mr V. M. Balasubramaniam (i.e., Seller 2) for a consideration of INR 22,00,00,000 (Indian Rupees Twenty Two Crore only), located at 143, Pudupakkam Village Vandalur – Kelambakkam Road, Chengalpattu, 603103 (“**Land Parcels**”), respectively. The consideration for each of the Land Parcels has been determined taking into account the valuation report dated February 18, 2022 issued by K. V. Venugopal, Registered Valuer. The said Land Parcels are located adjacent to the registered office of the Target Company.

## **8. TERMS AND CONDITIONS OF THE OFFER**

### **8.1. Operational Terms and Conditions**

- 8.1.1. The Offer is being made by the Acquirer to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 8.1.2. The Acquirer is making this Offer to all Public Shareholders to acquire up to 46,48,684 Equity Shares representing 26.00% of the Voting Share Capital, subject to the terms and conditions mentioned in the PA, DPS and the LOF.

- 8.1.3. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on Wednesday, April 13, 2022 and close on Thursday, April 28, 2022.
- 8.1.4. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time during the Tendering Period. Subject to the receipt of the statutory or other approvals as specified in paragraph 8.4 of this DLOF, the Acquirer has up to 10 (ten) Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 8.1.5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 8.1.6. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 8.1.7. The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 8.1.8. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 8.1.9. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 8.1.10. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.
- 8.1.11. Copies of PA and DPS are available and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).
- 8.1.12. The Identified Date for this Offer as per the schedule of activities is Wednesday, March 30, 2022.
- 8.1.13. The LOF shall be sent (through e-mail or physical mode) to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has

been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer [www.kfintech.com](http://www.kfintech.com), the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com)) or the Manager ([www.investmentbank.kotak.com](http://www.investmentbank.kotak.com)).

- 8.1.14. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the 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 and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the Closure of the Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.
- 8.1.15. 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 are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 8.1.16. The Acquirer, the Manager or the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 8.1.17. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the Cash Escrow Amount; (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.

## 8.2. **Locked-in Equity Shares**

Locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.

## 8.3. **Eligibility for accepting the Offer**

- 8.3.1. All Public Shareholders, registered or unregistered, who hold Equity Shares at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in paragraph 8.4 of this DLOF).
- 8.3.2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e. the date falling on the 10<sup>th</sup> (tenth) 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 LOF, may also participate in this Open Offer. No indemnity shall be required from unregistered shareholders.

- 8.3.3. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

#### 8.4. **Statutory and other Approvals**

- 8.4.1. As on the date of the DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained and the Acquirer shall make necessary applications for such approvals.

- 8.4.2. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) 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 Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under FEMA and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.

- 8.4.3. Where any statutory or other approval(s) 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 approval(s) are required in order to complete this Open Offer.

- 8.4.4. In case of delay in receipt of any statutory or other approval(s) which may be required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such delay in receipt of the requisite statutory or other approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders whose Offer Shares have been accepted in the Offer, at such rate as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

- 8.4.5. In terms of Regulation 23 of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event (a) any statutory or other approvals specified in this paragraph 8.4 of this DLOF or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions precedent under the SPA as specified in paragraphs 3.1.9 (a) and (b) of this DLOF are not met for reasons outside the reasonable control of the Acquirer. In the event of such a withdrawal of the Open Offer, the Acquirer (*through the Manager*) shall, within 2 (two) Working Days of such withdrawal, make an

announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

- 8.4.6. Subject to the receipt of the statutory and other approvals, if any, the Acquirer shall complete payment of consideration within 10 (ten) Working Days from the Offer Closing Date to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

## 9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 9.1. 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.

- 9.2. Subject to paragraph 8.4 (*Statutory and Other Approvals*) of this Draft Letter of Offer, all Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.

- 9.3. BSE Limited shall be the designated stock exchange for the purpose of tendering shares in the Offer ("**Designated Stock Exchange**").

### 9.4. Procedure for acceptance and settlement of the Offer

- 9.4.1. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 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**").

- 9.4.2. The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Open Offer shall be available on the Stock Exchanges in the form of a separate Acquisition Window.

- 9.4.3. 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 names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date, all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time during the Tendering Period.

- 9.4.4. 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. 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.

- 9.4.5. The Acquirer has appointed Kotak Securities Limited ("**Buying Broker**") as their broker for the Open Offer through whom the purchases and settlement of the Equity Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:



**Kotak Securities Limited**

27 BKC, C 27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai-400051

**CIN:** U99999MH1994PLC134051

**Contact Person:** Mr. Sanjeev Sharma

**Tel:** 1800 209 9191

**Email:** [service.securities@kotak.com](mailto:service.securities@kotak.com)

**Website:** [www.kotaksecurities.com](http://www.kotaksecurities.com)

**SEBI Registration No:**

NSE Capital Market: INB230808130; BSE Equity: INB010808153

- 9.4.6. Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers ("**Selling Brokers**") within the normal trading hours of the secondary market, during the Tendering Period. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares through the Acquisition Window.
- 9.4.7. Public Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers, before the closure of the Tendering Period.
- 9.4.8. 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.
- 9.4.9. 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/e-payment for the consideration are dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Public Shareholders.
- 9.4.10. The details of settlement number under which lien will be marked shall be informed in the issue opening circular that will be issued by the Stock Exchanges/Clearing Corporation, before the Offer Opening Date.
- 9.4.11. Public Shareholders can tender their shares only through a broker with whom the Public Shareholder is registered as client (KYC Compliant). In the event the Selling Broker(s) are not registered with BSE/NSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any stock broker registered with BSE/NSE and can make a bid by using quick unique client code ("**UCC**") facility through such BSE/NSE 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/NSE registered stock broker (with whom he does not have an account) may have to submit following details:
- (a) In case of Public Shareholder being an individual
- (i) If Public Shareholder is registered with KYC Registration Agency ("**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):
- o Bank details (cancelled cheque)
- C. Demat details (Demat Master/Latest Demat statement)

- (ii) Forms required if Public Shareholder is not registered with KRA:
  - 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.

(b) In case of Public Shareholder being a Hindu Undivided Family (“HUF”)

- (i) Forms required if Public Shareholder is registered with KRA:
  - 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) Forms required if Public Shareholder is not registered with KRA:
  - A. CKYC form of KARTA including FATCA, IPV, OSV if applicable
  - B. KRA form
  - C. Know Your Client (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.

(c) In case of Public Shareholder being other than Individual and HUF:

- (i) Forms required if Public Shareholder is KRA registered:
  - A. Know Your Client (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 (two) years financial statements.
- (ii) Forms required if Public Shareholder is not KRA registered:
  - 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 (two) years financial statements
- K. MOA/Partnership deed/trust deed

9.4.12. 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.

9.4.13. The cumulative quantity tendered shall be displayed on the websites of the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com)) throughout the trading session at specific intervals during the Tendering Period.

9.4.14. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.

9.4.15. The reporting requirements for non-resident shareholders under FEMA and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Public Shareholder and/or their Selling Broker.

#### 9.5. **Procedure for tendering Equity Shares held in Dematerialised Form**

9.5.1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

9.5.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the bid, lien will be required to be marked on the tendered Equity Shares. Details of the Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by their respective depositories to the Clearing Corporation. In case, the Public Shareholder's demat account is held with one depository ("**Source Depository**") and the clearing member pool and Clearing Corporation account is held with another depository ("**Recipient Depository**"), the Equity Shares shall be blocked in the shareholders demat account at the Source Depository during the Tendering Period. Inter depository tender offer ("**IDT**") instructions shall be initiated by the Public Shareholders at the Source Depository to the clearing member/Clearing Corporation account at Recipient Depository. Source Depository shall block the Public Shareholders' Equity Shares (i.e. transfers from free balance to blocked balance) and send IDT message to Recipient Depository for confirming creation of lien. Details of Equity Shares blocked in the Public Shareholder's demat account shall be provided by the Recipient Depository to the Clearing Corporation

9.5.3. The Public Shareholders shall earmark/provide such early pay-in of the dematerialized Equity Shares to be tendered in the Offer (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular which will be

issued by the Stock Exchange/Clearing Corporation before the opening of the Offer, before any orders/bids are placed on their behalf by their respective Selling Brokers.

- 9.5.4. For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by Stock Exchanges on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 9.5.5. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc. In case of non-receipt of the completed tender form and other documents, but where lien is marked on Equity Shares and a valid bid has been placed in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- 9.5.6. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 9.5.7. The duly filled in delivery instruction slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/Selling Broker so as to ensure that the Equity Shares are tendered in the Offer. For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After lien is marked on Equity Shares and a valid bid is placed in the exchange bidding system, the bid shall be deemed to have been accepted for the Public Shareholders holding Equity Shares in dematerialized form.
- 9.5.8. **The Public Shareholders holding shares in dematerialised form are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.**
- 9.5.9. All non-resident Public Shareholders (i.e. Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in dematerialised form, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “BGMAL Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

#### 9.6. **Procedure for tendering the Equity Shares held in physical form**

As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release dated December 3, 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 April 1, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 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, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

- 9.6.1. Public Shareholders who are holding Equity Shares in physical form 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), i.e. Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN Card, (iv) Form of Acceptance 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.
- 9.6.2. 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 Aadhar card, (ii) voter identity card; or (iii) passport.
- 9.6.3. 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 Exchanges. Upon placing the bid, the Selling Broker shall provide a TRS generated by the bidding system of the Stock Exchanges to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 9.6.4. The Selling Broker/Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post/speed post or courier or hand delivery to the Registrar to the Offer i.e., KFin Technologies Limited so as to reach them no later than the Offer Closing Date. The envelope should be super scribed as "BGMAL Open Offer". 1 (one) copy of the TRS will be retained by the Registrar, and it will provide acknowledgement of the same to the Selling Broker/Public Shareholder.
- 9.6.5. The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares in physical form 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 Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.
- 9.6.6. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.
- 9.6.7. In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of having the

Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

**The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.**

**9.7. Procedure for tendering the shares in case of non-receipt of LOF:**

9.7.1. 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.

9.7.2. Persons who have acquired the 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 LOF, may also participate in this Offer.

9.7.3. A Public Shareholder may participate in the Open Offer by approaching their broker/Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF and the Form of Acceptance.

9.7.4. In terms of SEBI circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder.

9.7.5. The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified Date. A Public Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com) or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may (i) download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and can apply by using the same; or (ii) obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the registrar's website [www.kfintech.com](http://www.kfintech.com).

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

**9.8. Acceptance of Shares**

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

9.8.2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares, 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.

- 9.8.3. 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.

#### 9.9. **Settlement Process**

- 9.9.1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

- 9.9.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

- 9.9.3. The Public Shareholders holding 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, keep their depository participant (“DP”) account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.

- 9.9.4. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder’s bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant 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.

- 9.9.5. 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. For this purpose, the client type details would be collected from the Registrar to the Open Offer.

- 9.9.6. 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 to the Public Shareholders directly by the Registrar to the Offer.

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

- 9.9.8. Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer. Further, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation’s Bank account as per the prescribed schedule.

- 9.9.9. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/restricted from being transferred pursuant to any pending court cases/attachment orders/restriction from other statutory authorities; are liable to be rejected unless directions/orders of an appropriate court/tribunal/statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
- 9.9.10. 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 and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 9.9.11. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations, 2011.

## **10. NOTE ON TAXATION**

**THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER AND THE PROPOSED PROVISIONS OF THE FINANCE BILL, 2022 (SUBJECT TO ENACTMENT). THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.**

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

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

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

## 10.1. **General:**

- 10.1.1. The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (the “IT Act”).
- 10.1.2. 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 is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the “situs” of such shares. As per judicial precedents, generally the “situs” of the shares is where a company is “incorporated” and where its shares can be transferred.
- 10.1.3. 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.
- 10.1.4. 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.
- 10.1.5. 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.
- 10.1.6. The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- 10.1.7. The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out below. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.
- 10.1.8. In addition to income tax, as the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to Securities Transaction Tax (“STT”). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.

## 10.2. **Classification of Shareholders:**

Shareholders can be classified under the following categories:

### 10.2.1. Resident Shareholders being:

- (a) Individuals, Hindu Undivided Family (“HUF”), Association of Persons (“AOP”) and Body of Individuals (“BOI”)

- (b) Others

#### 10.2.2. Non-Resident Shareholders being:

- (a) Non-Resident Indians (“NRIs”)
- (b) Foreign Institutional Investors (“FIIs”)/Foreign Portfolio Investors (“FPIs”)
- (c) Others:
  - i. Company
  - ii. Other than company

#### 10.3. Classification of Income:

##### 10.3.1. 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”)

10.3.2. As per the current provisions of the IT Act, unless specifically exempted, gains arising from the transfer of shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade). Shareholders may also refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (CBDT) in this regard.

#### 10.4. Shares held as investment:

10.4.1. As per the provisions of the IT Act, where the shares are held as investments (i.e., capital asset), 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 FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains. Capital gains in the hands of shareholders would be computed as per provisions of section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

10.4.2. 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”:

- (a) 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 “short term capital gains” (“STCG”).
- (b) 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 “long-term capital gains” (“LTCG”).

#### 10.5. Tendering of Shares in Offer through a Recognized Stock Exchange in India:

Where a transaction for transfer of such Equity Shares (i.e. acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to STT, then the taxability will be as under (for all categories of shareholders):

- 10.5.1. As per the current provisions of the IT Act, under Section 112A of the IT Act, LTCG arising from transfer of Equity Shares exceeding one lakh rupees will be taxed at a rate of 10 percent provided the same has been subjected to STT, upon acquisition and sale. If no STT is paid on acquisition, then mode of such acquisition should be exempted under the notification issued by CBDT vide Notification No. 60/2018 dated October 1, 2018 in order to get benefit of taxation at 10% under Section 112A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- 10.5.2. LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018 as per Section 55 of IT Act. For computing capital gains under the grandfathering regime, the cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- 10.5.3. Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.
- 10.5.4. Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the Equity Shares):
- (a) LTCG will be chargeable to tax at rate of up to 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder or 10% (plus applicable surcharge and cess) without indexation as per the proviso to Section 112 of the IT Act. (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act).
  - (b) In the case of FIIs (\*), under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10% (plus applicable surcharge and cess). Provided that in case of income arising from the transfer of long term capital asset referred to in Section 112A, income-tax at the rate of 10% (plus applicable surcharge and cess) will be calculated on such income exceeding Rs. 1 lakh. Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the capital gains.
  - (c) 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 cess) under Section 115E of the IT Act.
  - (d) 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 cess) without indexation as per the proviso to Section 112 of the IT Act.
- \*The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.
- 10.5.5. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG taxable under section 112A and section 112 of the IT Act.
- 10.5.6. 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.

- 10.5.7. As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 15% under section 111A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- 10.5.8. In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.
- 10.5.9. Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
- 10.5.10. 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.
- 10.5.11. Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the IT Act.
- 10.5.12. As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.
- 10.5.13. **Investment Funds**

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be exempt from income-tax on fulfillment of certain conditions specified therein. 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.

10.5.14. **Mutual Funds**

Under Section 10(23D) of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the Reserve Bank of India 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.

10.6. **Shares held as stock-in trade:**

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

10.6.2. Resident Shareholders:

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 relevant financial year as prescribed will be taxable @ 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 above, profits will be taxable @ 30%.

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

#### 10.6.3. Non-Resident Shareholders:

Non-resident shareholders can avail beneficial provisions of the applicable DTAA, read with the MLI, entered into between India and the respective country of which the said shareholder is tax resident, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

#### 10.6.4. Where DTAA provisions are not applicable:

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

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

As per the current provisions of the IT Act, in addition to the above, surcharge and health and education cess are leviable for resident and non-resident shareholders.

#### 10.6.5. Other Matters:

Further, the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders (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 under Sections 90/90A of the IT Act 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 analyzed depending on the facts of each case.

### 10.7. **Tax Deduction at Source:**

#### 10.7.1. Resident Shareholders:

In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.

#### 10.7.2. Non-Resident Shareholders:

(a) **In case of FII's:**

Section 196D of the IT Act provides for specific exemption (subject to the conditions stated in the specified section read with the relevant rules) from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs.

(b) **In case of non-resident tax payer (other than FIIs):**

- i. 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 and MLI, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.
- ii. However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- iii. Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate.
- iv. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer is entitled to be indemnified. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

**10.8. Remittance/Payment of Interest:**

10.8.1. In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the

categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

10.8.2. The shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### 10.9. Rate of Surcharge and Cess:

10.9.1. As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable. Summary of the same is provided below:

#### 10.9.2. Surcharge:

- (a) In case of domestic companies:
  - i. Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crore and @ 7% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore.
  - ii. In case of domestic companies which are liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable.
- (b) In case of companies other than domestic companies:
  - i. Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore.
  - ii. Surcharge @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore
- (c) In case of individuals, HUF, AOP, BOI:
  - i. Surcharge at the rate of 10% is leviable where the total income exceeds Rs. 50 lakh but does not exceed Rs. 1 crore.
  - ii. Surcharge at the rate of 15% is leviable where the total income exceeds Rs. 1 crore but does not exceed Rs. 2 crore.
  - iii. Surcharge at the rate of 25% is leviable where the total income exceeds Rs. 2 crore but does not exceed Rs. 5 crore.
  - iv. Surcharge at the rate of 37% is leviable where the total income exceeds Rs. 5 crore.
  - v. However, for the purpose of income chargeable under section 111A, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%
- (d) In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds Rs. 1 crore.

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

**THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.**

## **11. DOCUMENTS FOR INSPECTION**

The following material documents will be available for inspection by the Public Shareholders of the Target Company at the office of the Manager to the Offer – Kotak Mahindra Capital Company Limited at 27 BKC, 1st Floor, Plot No. C-27, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 on any Working Day between 10.30 am to 3.00 pm during the Tendering Period:

- 11.1. Copies of the Articles and Memorandum of Association and certificate of incorporation of the Acquirer;
- 11.2. Copy of the SPA dated February 22, 2022;
- 11.3. Copy of the NDU dated February 22, 2022;
- 11.4. Copies of the consolidated unaudited limited review financial information as at and for the six-month period ended September 30, 2021 of the Acquirer with review report by the statutory auditor of the Acquirer;
- 11.5. Copies of the unaudited limited review financial information as at and for the six-month period ended September 30, 2021 of the Target Company with the review report by the statutory auditor of the Target Company;
- 11.6. Copies of the annual reports of the Acquirer for the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019;
- 11.7. Copies of the annual reports of the Target Company for the financial years ended March 31, 2021, March 31, 2020, and March 31, 2019;
- 11.8. Copy of the certificate dated February 22, 2022, issued by S.V. Shah & Associates, (FRN: 139517W), certifying the adequacy of financial resources of the Acquirer to fulfill their obligations under this Offer;
- 11.9. Copy of the certificate dated February 22, 2022, issued by S.V. Shah & Associates, (FRN: 139517W), certifying the computation of the Offer Price;
- 11.10. Copy of the Escrow Agreement entered into between the Acquirer, the Escrow Agent and the Manager to the Offer;
- 11.11. Copy of the letter received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Escrow Account;
- 11.12. Copy of the PA dated February 22, 2022, the DPS published in the newspapers on February 24, 2022 and the offer opening public announcement;
- 11.13. Copy of the recommendation published by the committee of independent directors of the Target Company in relation to the Offer; and
- 11.14. Copy of SEBI Observation letter no. [●], dated [●], in regard to the DLOF.

## **12. DECLARATION BY THE ACQUIRER**

- 12.1. The Acquirer and its directors, in their capacity as directors, accept responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in paragraph

12.3 below) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer.

12.2. The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.

12.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The information pertaining to the Sellers contained in the PA, the DPS the DLOF or any other advertisement/publications made in connection with the Open Offer has been obtained from the Sellers. The Acquirer does not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF pertaining to the Target Company or the Sellers.

**For and on behalf of the Acquirer**

**Sd/-**

**Authorized Signatory**

**Date:** March 4, 2022

**Place:** Mumbai

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION****BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

*(Public Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance, unless required by their respective Selling Broker. Public Shareholders holding shares in physical form (resident and non-resident) are required to send this Form of Acceptance along with the enclosures to the Registrar to the Offer, at its registered office address provided in the Letter of Offer. Capitalized terms and expressions used herein but not defined, shall have the same meaning as ascribed to them in the Letter of Offer)*

**TENDERING PERIOD FOR THIS OPEN OFFER**

<b>OFFER OPENS ON</b>	[●]
<b>OFFER CLOSES ON</b>	[●]

To,

**The Acquirer****Unit:- Butterfly Gandhimathi Appliances Limited – Open Offer****C/o KFin Technologies Limited**

Selenium, Tower B, Plot No- 31 and 32, Financial District,

Nanakramguda, Serilingampally, Hyderabad,

Rangareddi 500032, Telangana, India.

Tel No. +91 40 6716 2222; Fax No. +91 40 2343 1551

Dear Sir,

**Sub: Cash Offer for acquisition of up to 46,48,684 fully paid-up Equity Shares of face value of INR 10 (Indian Rupees ten only) each (“Equity Share”) representing 26.00% (twenty six percent) of the Voting Share Capital of Butterfly Gandhimathi Appliances Limited (“Target Company”), at a price of INR 1,433.90 (Indian Rupees One Thousand Four Hundred and Thirty Three and Ninety Paise Only) per equity share, in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (“SEBI (SAST) Regulations”), from the Public Shareholders of the Target Company, by Crompton Greaves Consumer Electricals Limited (“Acquirer”).**

I / We refer to the Letter of Offer dated [●] for acquiring the Equity Shares held by me / us in the Target Company.

I/We acknowledge and confirm that all the particulars/ statements given herein are true and correct.

**Details of Public Shareholder:**

<b>Name (in BLOCK LETTERS)</b>	<b>Holder</b>	<b>Name of the shareholder(s)</b>	<b>Permanent Account Number (PAN)</b>
(Please write names of the joint holders in the same order as appearing in the Equity Share certificate(s) / demat account)	Sole / First		
	Second		
	Third		
<b>Contact number(s) of the first holder</b>	<b>Tel No. (With STD Code):</b> <b>Fax No. (with STD Code):</b>		<b>Mobile No.:</b>
<b>Full address of the first holder</b> (with pin code)			
<b>Email address of first holder</b>			
<b>Date and place of incorporation</b> (if applicable)			

**FOR EQUITY SHARES HELD IN PHYSICAL FORM:**

I/We, confirm that our residential status under the Income Tax Act is as below (tick whichever is applicable).

- Resident  
 Non-Resident

I / We, holding Equity Shares in physical form, accept this Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Equity Shares as detailed below along with enclosures as mentioned herein:

Sr. No.	Regd. Folio Number	Share Certificate Number	Distinctive Numbers		No. of Equity Shares
			From	To	
1					
2					
3					
<b>(In case the space provided is inadequate, please attach a separate sheet with the above details and authenticate the same)</b>				<b>TOTAL</b>	

Enclosures (tick whichever is applicable)

- Duly attested power of attorney, if any person apart from the Public Shareholder, has signed the Form of Acceptance-cum-Acknowledgement or Equity Share transfer deed(s)
- Original Equity Share certificate(s)
- Valid Equity Share transfer deed(s)
- Corporate authorization, in case of companies along with certified board resolution and specimen signatures of authorized signatories
- Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired
- Self-attested copy of PAN card of all the transferor(s)
- Other relevant documents (please specify)

I / We, the undersigned, have read the Public Announcement, the Detailed Public Statement and this Letter of Offer and understood its contents, terms and conditions, and unconditionally accept it.

#### **FOR ALL PUBLIC SHAREHOLDERS**

I / We confirm that the Equity Shares which are being tendered herewith by me / us under this Offer are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.

I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Equity Shares in this Offer and that I/we am/are legally entitled to tender the Equity Shares in this Offer.

I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.

I / We confirm that the sale and transfer of the Equity Shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirer harmless and indemnified against any loss they or either of them may suffer in the event these Equity Shares are acquired by the Acquirer.

I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.

I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer.

I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Offer in accordance with the SEBI (SAST) Regulations.

I / We are / am not debarred from dealing in Equity Shares.

I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, 1961 including but not limited to section 281 of the Income Tax Act, 1961.

I / We note and understand that the Equity Shares will be held by the Clearing Corporation in trust for me / us till the date the Acquirer make payment of consideration as mentioned in the Letter of Offer and other documents are dispatched to the Public Shareholders, as the case may be.

I / We confirm that 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 me / us , or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Equity Shares, I / we will indemnify the Acquirer for 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.

I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.

I / We authorise the Acquirer to accept the Equity Shares so offered or such lesser number of Equity Shares which the Acquirer may decide to accept in consultation with the Managers to the Offer and the Registrar to the Offer and in terms of the Letter of Offer. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Offer is not found valid / not accepted without specifying the reasons thereof.

**FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS**

I/We confirm that my/our residential status is ( whichever is applicable):

<input type="checkbox"/> Individual	<input type="checkbox"/> Foreign Company	<input type="checkbox"/> FII/FPI – Corporate	<input type="checkbox"/> FII/FPI - Others	<input type="checkbox"/> FVCI
<input type="checkbox"/> Foreign Trust	<input type="checkbox"/> Private Equity Fund	<input type="checkbox"/> Pension/Provident Fund	<input type="checkbox"/> Sovereign Wealth Fund	<input type="checkbox"/> Partnership/ Proprietorship firm
<input type="checkbox"/> Financial Institution	<input type="checkbox"/> NRIs/PIOs – repatriable	<input type="checkbox"/> NRIs/PIOs - non-repatriable	<input type="checkbox"/> OCB	<input type="checkbox"/> QFI
<input type="checkbox"/> Others – please specify:				

I/We confirm that my/our investment status is (and  whichever is applicable):

- FDI Route
- PIS Route
- Any other – please specify \_\_\_\_\_

I/We confirm that Equity Shares tendered by me/us are held on ( whichever is applicable):

- Repatriable basis
- Non-repatriable basis

I/We confirm that ( whichever is applicable):

- No RBI, FIPB or other regulatory approval was required by me for holding Equity Shares that have been tendered in this Open Offer and the Equity Shares are held under general permission of the RBI
- Copies of all approvals required by me for holding Equity Shares that have been tendered in this Open Offer are enclosed herewith
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith

I/We confirm that ( whichever is applicable):

- No RBI, FIPB or other regulatory approval is required by me for tendering the Equity Shares in this Open Offer
- Copies of all approvals required by me for tendering Equity Shares in this Open Offer are enclosed herewith
- There are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act including but not limited to section 281 of the Income Tax Act
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy, error, negligence or omission of information provided / to be provided by me / us, I / we will indemnify the Acquirer for

such income tax demand (including interest, penalty, cost of litigation 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

In case of interest payments, if any, by the Acquirer for delay in payment of Open Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act. For details please refer to instruction no. 23 given overleaf.

Yours faithfully,

Signed and Delivered:	Full Name	PAN	Signature
First / Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

**Note:** In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place: \_\_\_\_\_

Date: \_\_\_\_\_

-----Tear Here-----

**Acknowledgement Receipt – Butterfly Gandhimathi Appliances Limited – Open Offer**

Received from Mr./Ms./M/s. \_\_\_\_\_

Form of Acceptance-cum-Acknowledgement for Butterfly Gandhimathi Appliances Limited – Open Offer as per details below:

Copy of delivery instruction to depository participant of Client ID for \_\_\_\_\_ Equity Shares

Date of Receipt:

Stamp of collection centre:

Signature of Official

## INSTRUCTIONS

Capitalized terms used and not defined in these instructions will have the same meaning as provided in the Letter of Offer dated [●].

1. **PLEASE NOTE THAT THE FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT OR ANY OTHER DOCUMENTS SHOULD NOT BE SENT TO THE ACQUIRER, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER.**
2. The Form of Acceptance-cum-Acknowledgement should be legible and should be filled-up in English only.
3. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
4. **AS PER THE PROVISIONS OF REGULATION 40(1) OF THE SEBI (LODR) REGULATIONS AND SEBI'S PRESS RELEASE DATED DECEMBER 3, 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 APRIL 1, 2019. HOWEVER, IN ACCORDANCE WITH THE CIRCULAR ISSUED BY SEBI BEARING REFERENCE NUMBER SEBI/HO/CFD/CMD1/CIR/P/2020/144 DATED JULY 31, 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.**
5. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach the and submit the following set of documents for verification procedure as mentioned below:
  - a) Original share certificate(s)
  - b) Valid share transfer deed(s) duly filled, stamped and signed by the transferor(s) (i.e. by all registered shareholder(s) in the same order and as per specimen signatures registered with the Target Company), and duly witnessed at the appropriate place.
  - c) Self-attested copy of the Public Shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors)
  - d) This Form - for Public Shareholders holding Equity Shares in physical form, duly completed and signed in accordance with the instructions contained herein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
  - e) A self-attested copy of the address proof consisting of any one of the following documents: valid Aadhar card, voter identity card, passport or driving license.
  - f) Any other relevant document including (but not limited to) such as power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.

**Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.**

6. In case of unregistered owners of Equity Shares in physical form, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
7. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
8. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
9. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer: i.e. KFin Technologies Limited on or before the date of closure of the Tendering Period, at the following address: Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India.
10. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the exchange bidding system. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.

11. Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Offer would have to do so through their respective selling member by indicating the details of Equity Shares they intend to tender under the Offer.
12. In case of Equity Shares held in joint names, names should be filled up in the same order in the Form of Acceptance-cum-Acknowledgement as the order in which they hold the Equity Shares, and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer.
13. If the Equity Shares tendered are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
14. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer in Paragraph 8 (Procedure for Acceptance and Settlement of the Offer).
15. The Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is being dispatched/sent through electronic mail to all the Public Shareholders as on the Identified Date, who have registered their email ids with the Depositories and through speed post / registered post to shareholders who do not have registered email id and/or the Target Company. In case of non-receipt of the Letter of Offer, the Public Shareholders of the Target Company may download the same from the respective websites of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)), the Registrar to the Offer ([www.kfintech.com](http://www.kfintech.com)), the Manager to the Offer ([www.investmentbank.kotak.com](http://www.investmentbank.kotak.com)), BSE ([www.bseindia.com](http://www.bseindia.com)), and NSE ([www.nseindia.com](http://www.nseindia.com)) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares.
16. All the Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the acceptance is being sent.
17. All documents/remittances sent by or to Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.
18. The Selling Broker(s) shall print the Transaction Registration Slip (TRS) generated by the exchange bidding system.
19. In case any person has submitted Equity Shares in physical form for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
20. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the Letter of Offer at Paragraph 8 (*Procedure for Acceptance and Settlement*).
21. The Tender Form and TRS is not required to be submitted to the Acquirer, the Manager to the Offer or the Registrar to the Offer. Shareholders holding Equity Shares in dematerialised form are not required to fill the Form of Acceptance-cum-Acknowledgment unless required by their respective selling broker. Equity Shares under lock-in will be required to fill the respective Form of Acceptance-cum-Acknowledgment.
22. If non-resident Public Shareholders had required any approval 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 Equity Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Equity Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the Letter of Offer, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Equity Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
23. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments.
24. Public Shareholders who wish to tender their Equity Shares must submit the following documents to the Registrar to the Offer.

**For resident Public Shareholders:**

- Self-attested copy of PAN card
- Certificate from the income tax authorities under Section 197 of the Income Tax Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of consideration (certificate for deduction of tax at lower rate)
- Self-declaration in Form 15G/Form 15H (in duplicate), if applicable

For specified entities under Section 194A(3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification (applicable only for interest payment, if any)

Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify);

**For non-resident Public Shareholders:**

Self-attested copy of PAN card

Certificate under Section 195(3) or Section 197 of the Income Tax Act, wherever applicable (certificate for deduction of tax at lower rate) from the income tax authorities under the Income Tax Act, indicating the amount of tax to be deducted by the Acquirer before remitting the amount of interest

Tax Residency Certificate and Form 10F and other information or documents as may be required to claim relief under the provisions of applicable double taxation avoidance agreement

Self-attested declaration that it does not have a Permanent Establishment in India either under the IT Act or applicable between India and any other foreign country or specified Territory (as notified under Section 90 or Section 90A of the Income Tax Act) of which the Public Shareholder claims to be a tax resident

Self-attested declaration in respect of residential status and tax status of Public Shareholders (e.g. individual, Hindu Undivided Family (HUF), firm, company, Association of Persons (AOP), Body of Individuals (BOI), trust or any other – please specify)

Tax certificate issued by the income tax/statutory authorities of the overseas jurisdiction where the non-resident Public Shareholder is a resident for tax purposes, indicating the quantum of Overseas Tax along with any other information as may be relevant for this transaction.

In an event of non-submission of NOC or certificate for deduction of tax at nil/lower rate, tax will be deducted up to the maximum marginal rate as may be applicable to the relevant category, to which the Public Shareholder belongs, by the Acquirer.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LETTER OF OFFER.

All future correspondence, if any, should be addressed to the respective Selling Broker, or to the Registrar to the Offer at the following address:

All future correspondence, if any, should be addressed to the respective Selling Broker, or the Registrar to the Offer at:



**KFin Technologies Limited** (Formerly known as KFin Technologies Private Limited)

Selenium, Tower B, Plot No- 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi 500032, Telangana, India.

**Tel:** +91 40 6716 2222

**Fax:** +91 40 2343 1551

**E-mail:** [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)

**Contact Person:** Mr. M Murali Krishna

**SEBI Registration Number:** INR000000221

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

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

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

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

**CIN:** | L | 2 | 8 | 9 | 3 | 1 | T | N | 1 | 9 | 8 | 6 | P | L | C | 0 | 1 | 2 | 7 | 2 | 8

Name of the company (in full): **BUTTERFLY GANDHIMATHI APPLIANCES LIMITED**

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

**DESCRIPTION OF SECURITIES:**

Kind/ Class of securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity Shares	INR 10/-	INR 10/-	INR 10/-

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

Distinctive Number	From		
	To		

Corresponding Certificate Nos.			

**Transferor's Particulars**

Registered Folio Number: \_\_\_\_\_

Name(s) in full	PAN No.	Signature(s)
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____

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

Signature of the witness: \_\_\_\_\_

Name of the witness: \_\_\_\_\_

Address of the witness: \_\_\_\_\_

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

Transferee's Particulars		
Name in full (1)	Father's/ Mother's / Spouse's Name (2)	Address & E-mail id (3)
CROMPTON GREAVES CONSUMER ELECTRICALS LIMITED	N.A.	<b>ADDRESS:</b> TOWER 3, 1ST FLOOR, EAST WING, EQUINOX BUSINESS PARK, LBS MARG, KURLA (WEST), MUMBAI- 400070 <b>E-MAIL ID:</b> crompton.investorrelations@crompton.co.in
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
BUSINESS		1. _____ 2. _____ 3. _____

Folio No. of Transferee	Specimen Signature of Transferee(s)
_____	1. _____
_____	2. _____
_____	3. _____

Value of Stamp affixed: INR

**Enclosures:**

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

**Stamps**

**For Office Use Only**

Checked by \_\_\_\_\_  
 Signature Talled by \_\_\_\_\_  
 Entered in the Register of Transfer on \_\_\_\_\_  
 \_\_\_\_\_ vide Transfer no \_\_\_\_\_  
 Approval Date \_\_\_\_\_  
 Power of attorney / Probate / Death certificate / Letter of  
 Administration Registered on \_\_\_\_\_ at  
 No \_\_\_\_\_

On the reverse page of the certificate

Name of Transferor	Name of Transferee	No. of Shares	Date of Transfer	
				Signature of authorized signatory