

**DRAFT LETTER OF OFFER****“This document requires your immediate attention”**

*This Draft Letter of Offer (‘DLoO’) is being sent to you as the Public Shareholder (as defined below) of TTI Enterprise Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer (as defined below) or the Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares of the Target Company, please hand over this Draft Letter of Offer and the accompanying form of acceptance cum acknowledgement to the member of the stock exchange through whom the said sale was effected.*

**OFFER BY**

Name	Acquirers	Residential Address	Contact Details	Email Address
V S Ranganathan	Acquirer 1	Valath House, Koorkkenchery, Thrissur – 680007, Kerala, India	+91-9995218510	<a href="mailto:sranganathen@hotmail.com">sranganathen@hotmail.com</a>
Vasanthi Ranganathan	Acquirer 2	Valath House, Koorkenchery, Thrissur – 680007, Kerala, India	+91-9496123000	<a href="mailto:sranganathen@hotmail.com">sranganathen@hotmail.com</a> ;
Bindu K C	Acquirer 3	Kalarickal House, Elamthuruthy, Kuttanellur PO, Thrissur – 680014, Kerala, India	+91-976402163	<a href="mailto:bindugireeshkc163gmail.com">bindugireeshkc163gmail.com</a> ;
Kanakavally Prathapan Karumanthra	Acquirer 4	Karumanthra House, Old Gate Road, Kanimangalam Post, Palissery, Thrissur - 680027, Kerala, India	+91-944029466	<a href="mailto:krpratap401@gmail.com">krpratap401@gmail.com</a> ;
Mridula Mukundan	Acquirer 5	17, Indira Nagar, Pallikulam PO, Chirakkal, Kannur 670011, Kerala, India	+91-9819700442	<a href="mailto:mridula.muku@gmail.com">mridula.muku@gmail.com</a> ;
Sujith Venugopalan	Acquirer 6	Vengassery Veedu, Edathara PO, Parli-II, Edathara, Palakkad – 678611, Kerala, India	+91- 8589003360	<a href="mailto:sujith102384@yahoo.co.in">sujith102384@yahoo.co.in</a>

There is no other persons acting in concert with the Acquirers for the purpose of this Offer.

**FOR THE ATTENTION OF PUBLIC SHAREHOLDERS OF TTI ENTERPRISE LIMITED****Corporate Identification Number:** L67120WB1981PLC033771;**Registered Office:** 1 R.N. Mukherjee Road, Martin Burn House, 4<sup>th</sup> Floor, Suite No.22, Kolkata-700001, West Bengal, India**Contact Details:** 033-22109197; **Fax Number:** 033-22109197;**Website:** [www.ttienterprise.net](http://www.ttienterprise.net); **Email Address:** [tti1711@gmail.com](mailto:tti1711@gmail.com);

**Offer for acquisition of up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) fully paid-up equity shares of face value of ₹10.00/- (Rupees Ten Only) each (‘Equity Shares’) of TTI Enterprise Limited (‘TTI’ or ‘Target Company’), representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company by the Acquirers (‘Offer’) in accordance with the provisions of Regulations 3 (1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto, (‘SEBI (SAST) Regulations’).**

**Please Note:**

- This Offer is being made by the Acquirers, in pursuance of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares and voting rights capital accompanied with change in control and management of the Target Company;
- Except of being in receipt of necessary approval, from the Reserve Bank of India, *inter-alia* for change in control and management of the Target Company in pursuance of this Offer and purchase of Equity Shares pursuant to the Share Purchase Agreement (term defined below), there are no other statutory approval(s) required by the Acquirers to complete this Offer. However, in case, any statutory approval(s) is subjected to being required at a later date, this Offer shall be subject to receipt of such approval(s), and necessary applications for such approvals shall be made. For more details regarding the statutory and other approvals for this Offer, please refer to the Paragraph 7.7 titled as ‘Statutory approvals and conditions of the Offer’ at page 22 of this Draft Letter of Offer;
- If there is any upward revision in the Offer Price (term defined below) and/ or the Offer Size (term defined below) at any time up to 1 (One) Working Day prior to commencement of the Tendering Period i.e., Monday, 15 November, 2021, in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement (term defined below) in the same newspapers where the Detailed Public Statement (term defined below) had appeared. If the Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, the same would be communicated within 2 (Two) Working Days by an announcement in the same newspapers in which the Detailed Public Statement had appeared;
- This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations;**
- If there is a competitive offer, then the Offer under all subsisting bids shall open and close on the same date;**
- This Offer is not subject to a minimum level of acceptance by the Public Shareholders of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations;
- Public Shareholders, who have accepted this Offer by tendering the requisite documents in terms of the Letter of Offer (term defined below), shall not be entitled to withdraw such acceptance during the Tendering Period (term defined below);
- The procedure for acceptance is set out in Paragraph 8 under titled as ‘Procedure for Acceptance and Settlement of the Offer’ at page 22 of this Draft Letter of Offer;
- The Public Announcement, Detailed Public Statement, and this Draft Letter of Offer would also be available on Securities and Exchange Board of India at website at [www.sebi.gov.in](http://www.sebi.gov.in);

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**MANAGER TO THE OFFER****CAPITALSQUARE ADVISORS PRIVATE LIMITED**208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (East), Mumbai – 400093, Maharashtra, India;**Contact Details:** +91-22-66849999/ +91-9874283532;**Email Address:** [tanmoy.banerjee@capitalsquare.in](mailto:tanmoy.banerjee@capitalsquare.in)/ [pankita.patel@capitalsquare.in](mailto:pankita.patel@capitalsquare.in)**Website:** [www.capitalsquare.in](http://www.capitalsquare.in)**Contact Person:** Mr. Tanmoy Banerjee/ Ms. Pankita Patel;**SEBI Registration Number:** INM000012219;**OFFER OPENING DATE: TUESDAY, NOVEMBER 16, 2021****REGISTRAR TO THE OFFER****PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**

Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India;

**Contact Details:** +91-22-2301 2518/ 8261;**Email Address:** [support@purvashare.com](mailto:support@purvashare.com);**Website:** [www.purvashare.com](http://www.purvashare.com);**Contact Person:** Ms. Deepali Dhuri;**SEBI Registration Number:** INR000001112;**OFFER CLOSING DATE: TUESDAY, NOVEMBER 30, 2021**

## TENTATIVE SCHEDULE OF THE MAJOR ACTIVITIES RELATING TO THIS OFFER

Tentative Schedule of Activities	Day	Date
Date of the Public Announcement	Monday	September 20, 2021
Last date of publication of Detailed Public Statement in newspapers	Monday	September 27, 2021
Last date of filing of the Draft Letter of Offer with SEBI	Monday	October 04, 2021
Last date for public announcement for a Competing Offer#	Wednesday	October 20, 2021
Last date for receipt of SEBI observations on the draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Wednesday	October 27, 2021
Identified Date*	Friday	October 29, 2021
Date by which the Letter of Offer will be dispatched to the Equity Shareholders whose names appear on the register of members on the Identified Date	Tuesday	November 09, 2021
Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Equity Public Shareholders for this Offer	Friday	November 12, 2021
Last date for revising the Offer Price / Offer Size	Monday	November 15, 2021
Date of publication of opening of Offer public announcement in the newspapers in which this Detailed Public Statement has been published	Monday	November 15, 2021
Date of commencement of tendering period ('Offer Opening Date')	Tuesday	November 16, 2021
Date of closing of tendering period ('Offer Closing Date')	Tuesday	November 30, 2021
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	Tuesday	December 14, 2021

*Note:*

*Note: The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of statutory/regulatory approvals, namely being, Reserve Bank of India and SEBI's approval and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations;*

*\*Identified Date is only for the purpose of determining the names of the Public Shareholders as on such date to whom the Letter of Offer would be sent;*

*#There has been no competing offer as of the date of this Draft Letter of Offer;*

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

**For capitalized terms used hereinafter, please refer to the Definitions set out below:**

#### **A. Risks relating to Underlying Transaction**

1. The Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement, including: (a) receipt of all statutory approvals as set out in Paragraph 7.7 titled as 'Statutory approvals and conditions of the Offer' at page 22 of this Draft Letter of Offer and those which become applicable prior to the completion of this Offer; (b) the satisfaction or waiver of the various conditions under the Share Purchase Agreement, including those conditions set out in Paragraph 3.1.10 titled 'Details of the Offer' as at page 9 of this Draft Letter of Offer, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the Share Purchase Agreement, then the Underlying Transaction may be terminated;
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

#### **B. Risks relating to this Offer**

1. This Offer is a mandatory open offer to acquire up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares, representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company from the Public Shareholders. In the case of oversubscription in this Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis, and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted;

2. As on the date of this Draft Letter of Offer, to the best of knowledge and belief of the Acquirers, except of being in receipt of the approval from the Reserve Bank of India in terms of Paragraph 61 of Chapter – IX of Section III of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016, there are no other statutory approvals required to acquire the Equity Shares of the Target Company that are validly tendered pursuant to this Offer or to complete this Offer, for further details kindly refer Paragraph 7.7 titled as '*Statutory approvals and conditions of the Offer*' at page 22 of this Draft Letter of Offer. However, if any other statutory approvals are required prior to the completion of this Offer, then this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date;
3. In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Offer, or (c) SEBI (term defined below) instructs the Acquirers not to proceed with this Offer, then this Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, payment of consideration to the Public Shareholders of the Target Company whose Equity Shares have been accepted in this Offer as well as the return of the Equity Shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirers to diligently pursue such approvals, grant an extension for the purpose of completion of this Offer, subject to the Acquirers agreeing to pay interest to the Public Shareholders for the delay beyond 10<sup>th</sup> (Tenth) Working Day from the date of Closure of Tendering Period, as may be specified by SEBI;
4. Public Shareholders should note that the Equity Shares tendered by them and accepted in this Offer shall not be entitled to be withdrawn post-acceptance of such during the Tendering Period, even if the acceptance of such Equity Shares under this Offer and the payment of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed;
5. This Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers. The Acquirers may not be able to proceed with this Offer in the event, the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Further delay, if any, in the receipt of these approvals may delay completion of this Offer;

**C. Risks involved in associating with the Acquirers**

1. The Acquirers intend to acquire up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares, representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company, at an offer price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Equity Shares and the documents tendered in this Offer will be held in trust by the Registrar to the Offer until the completion of this Offer formalities, and the Public Shareholders will not be able to thereafter trade in such Equity Shares. Post this Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company, pursuant to Regulations 3 (1) and 4 of the SEBI (SAST) Regulations;
2. The Acquirers make no assurance with respect to the market price of the Equity Shares during the Offer Period and upon the completion of this Offer and disclaim any responsibility with respect to any decision by the Public Shareholders on whether or not to participate in this Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company;
3. The Acquirers and the Manager to the Offer, accept no responsibility for the statements made otherwise than in the Public Announcement, the Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk;

**The risk factors set forth above, pertain to this Offer and are not in relation 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 a Public Shareholder in this Offer. Public Shareholder of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Offer. Each Public Shareholder of the Target Company, is hereby advised to consult with their legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Public Shareholder's participation in this Offer and related transfer of Equity Shares of the Target Company to the Acquirers.**

## Currency of Presentation

1. In this Draft Letter of Offer, all references to '₹', 'Rs.', 'Rupees', 'Re', 'Rupee' are references to the official currency of India;
2. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

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## 1. DEFINITIONS AND ABBREVIATIONS

Abbreviations	Particulars
Acquirer 1	V S Ranganathan;
Acquirer 2	Vasanthi Ranganathan;
Acquirer 3	Bindu K C;
Acquirer 4	Kanakavally Prathapan Karumanthra;
Acquirer 5	Mridula Mukundan;
Acquirer 6	Sujith Venugopalan;
Acquirers	Acquirer 1 to Acquirer 6 collectively referred to as Acquirers
Bank Guarantee	An amount of ₹1,85,00,000.00/- (Rupees One Crore Eighty Five Lacs Only) issued by IDBI Bank Limited, a Banking Company registered under Companies Act, 1956 and having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India and one of its office at Trade Finance Department, Specialised Corporate Branch, Panampilly Nagar, Post Bag No 4253, Kochi – 682036, Kerela, India in favour of Manager to the Offer being equal to 25.00% (Twenty-Five Percent) of the Maximum Consideration;
Board	Board of Directors of the Target Company;
Book Value per Equity Share	Net-Worth / Number of Equity Share;
Business Day	Any day other than a Saturday, Sunday or any day on which banks in India or SEBI is permitted to be closed;
BSE	BSE Limited;
CDSL	Central Depository Services (India) Limited;
CIN	Corporate Identification Number;
Clearing Corporation	Indian Clearing Corporation Limited

<b>Abbreviations</b>	<b>Particulars</b>
Companies Act, 2013	Companies Act, 1956 and Companies Act, 2013;
CSE	The Calcutta Stock Exchange Limited;
Depositories	CDSL and NSDL;
DIN	Director Identification Number;
DLoF/ Draft Letter of Offer	This Draft Letter of Offer dated Thursday, September 30, 2021, filed and submitted with SEBI pursuant to Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations;
DP	Depository Participant;
Detailed Public Statement	Detailed Public Statement published on behalf of the Acquirers on Monday, September 27, 2021, in the newspapers Financial Express (English daily) (All Editions), Jansatta (Hindi daily) (All Editions), Duranta Barta (Bengali daily) (Kolkata Edition), and Mumbai Lakshadeep (Marathi daily) (Mumbai Edition) in connection with this Offer;
ECS	Electronic Clearing Service;
EPS	Earnings Per Equity Share;
Escrow Agreement	Escrow Agreement, dated Monday, September 20, 2021, entered into between the Acquirers, the Escrow Banker and the Manager to the Offer;
Escrow Account	The escrow account with account number '259995218510' opened in the name and style of 'TTI - OPEN OFFER ESCROW ACCOUNT' by the Acquirers with the Escrow Bank, in accordance with the SEBI (SAST) Regulations;
Escrow Banker	IndusInd Bank Limited;
Equity Shares	The fully paid-up equity shares of the Target Company of face value of ₹10.00/- (Rupees Ten Only) each;
Equity Share Capital	The fully paid-up Equity Share capital of the Target Company is Rs.25,50,00,000.00/- (Rupees Twenty-Five Crores Fifty Lakhs Only) comprising of 2,54,04,422 (Two Crores Fifty-Four Lakhs Four Hundred and Twenty-Two)
Identified Date	The 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 Letter of Offer shall be sent, i.e., Friday, October 29, 2021;
IFSC	Indian Financial System Code;
IT Act	Income Tax Act, 1961, as amended and modified from time to time;
LoO	Letter of Offer;
Manager to the Offer	CapitalSquare Advisors Private Limited;
Maximum Offer Consideration	The total funding requirement for acquiring up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares at the Offer Price of ₹9.50/- (Rupees Nine and Fifty Paise Only), assuming full acceptance would be ₹7,24,02,607.00/- (Rupees Seven Crores Twenty-Four Lakhs Two Thousand Six Hundred and Seven Only);
NRI/s	Non - Resident Indians as defined under Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time;
NSDL	National Securities Depository Limited;
Offer	The open offer being made by the Acquirers for acquisition of up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares, representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company, at an offer price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share, amounting to ₹7,24,02,607.00/- (Rupees Seven Crores Twenty-Four Lakhs Two Thousand Six Hundred and Seven Only), payable in cash;
Offer Period	The period between the date on which the Public Announcement was issued by the Acquirers and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be;
Offer Price	An offer price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share;
Offer Equity Shares	Up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares;

<b>Abbreviations</b>	<b>Particulars</b>
Offer Size	Assuming full acceptance under this Offer, the aggregate consideration payable to the Public Shareholders in accordance with the provisions of SEBI (SAST) Regulations amounting to ₹7,24,02,607.00/- (Rupees Seven Crores Twenty-Four Lakhs Two Thousand Six Hundred and Seven Only);
Public Announcement	Public Announcement dated Monday, September 20, 2021;
PAT	Profit After Tax;
Public Shareholders	All the equity shareholders of the Target Company excluding (a) the shareholders forming a part of the promoter/ promoter group of the Target Company; (b) parties to the Share Purchase Agreement (defined below); and (c) any persons acting in concert or deemed to be acting in concert with the persons set out in (a) and (b);
RBI	Reserve Bank of India;
Registrar to the Offer	Purva Sharegistry (India) Private Limited;
Return on Net Worth	Profit After Tax/ Net-Worth;
Sale Equity Shares	Acquisition of 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company, pursuant to a Share Purchase Agreement at a price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share aggregating to ₹6,03,30,462.50/- (Rupees Six Crores Three Lakhs Thirty Thousand Four Hundred and Sixty-Two and Fifty Paise Only);
SCRR	Securities Contract (Regulation) Rules, 1957, as amended;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992 including subsequent amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof;
Security Deposit	An amount of ₹7,25,000.00/- (Rupees Seven Lakhs Twenty-Five Thousand Only) being 1.00% (One Percent) of the Maximum Consideration in accordance with the provisions of Regulation 17 (4) and the Escrow Agreement;
Sellers	The existing Promoters of the Target Company as per Regulation 31(1)(b) of SEBI (LODR) Regulations, 2015;
Share Purchase Agreement/ SPA	The agreement dated Monday, September 20, 2021 entered amongst the Acquirers and following mentioned existing promoters, namely being: (a) Jitendra Kumar Mehta; (b) Paraj Mehta; (c) Binjal Mehta; (d) Paraj Mehta HUF; (e) Irawati Enterprises LLP; (f) Meghnath Wealth Creators LLP; and (g) Vaikundam Advisors LLP ( <i>Parties aforementioned from point (a) to (g) are hereinafter referred to as 'Sellers'</i> ) ( <i>All the aforementioned parties, namely being the Sellers, are hereinafter collectively referred to as 'Sellers'</i> );
Stock Exchanges	The stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited and The Calcutta Stock Exchange Limited;
STT	Securities Transaction Tax;
Target Company/ TTI	TTI Enterprise Limited;
Tendering Period	The period commencing from Tuesday, November 16, 2021 and closing on Tuesday, November 30, 2021, both days inclusive;
Underlying Transaction	The transaction as contemplated under the Share Purchase Agreement;
Voting Share Capital	The fully diluted equity voting share capital of the Target Company as of the 10 <sup>th</sup> (Tenth) working day from the closure of the Tendering Period of this Offer
Working Day	Working days of SEBI

## 2. DISCLAIMER CLAUSE

**'IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE PUBLIC SHAREHOLDERS OF TTI ENTERPRISE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER CAPITALSQUARE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED THURSDAY, SEPTEMBER 30, 2021, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.'**

## 3. DETAILS OF THIS OFFER

### 3.1. Background of the Offer

- 3.1.1. This is a mandatory Offer, being made by V S Ranganathan ('Acquirer 1'), Vasanthi Ranganathan ('Acquirer 2'), Bindu K C ('Acquirer 3'), Kanakavally Prathapan Karumanthra ('Acquirer 4'), Mridula Mukundan ('Acquirer 5'), and Sujith Venugopalan ('Acquirer 6') in compliance with the provisions of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations, to the Public Shareholders of the TTI Enterprise Limited, a company incorporated and duly registered under the Companies Act, 1956 and having its registered office located at 1 R.N. Mukherjee Road, Martin Burn House, 4<sup>th</sup> Floor, Suite No.22, Kolkata-700001, West Bengal, India. This Offer has been pursuant to the Share Purchase Agreement entered into amongst the Acquirers and the following mentioned sellers, existing promoters, namely being: (a) Jitendra Kumar Mehta; (b) Paraj Mehta; (c) Binjal Mehta; (d) Paraj Mehta HUF; (e) Irawati Enterprises LLP; (f) Meghnath Wealth Creators LLP; and (g) Vaikundam Advisors LLP;
- 3.1.2. The prime object of this Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 3.1.3. There is/ are no person acting in concert with the Acquirers within the meaning of Regulation 2(1) (q) of the SEBI (SAST) Regulations ('PAC');
- 3.1.4. The Acquirers are making this Offer to acquire upto 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Share, representing 30.00% (Thirty Percent) of equity and Voting Share Capital of the Target Company, at a price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share aggregating to a total consideration of ₹7,24,02,607.00/- (Rupees Seven Crores Twenty-Four Lakhs Two Thousand Six Hundred and Seven Only) payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, and Letter of Offer;
- 3.1.5. The Acquirers have entered into a Share Purchase Agreement with the present Promoters of the Target Company with an intention to acquire up to 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company, at a price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share ('Negotiated Price') for a total consideration of ₹6,03,30,462.50/- (Rupees Six Crores Three Lakhs Thirty Thousand Four Hundred Sixty Two and Fifty Paise Only), payable in compliance with the terms and conditions scheduled in the Share Purchase Agreement;

3.1.6. The details of the all the Sellers, who have entered into the Share Purchase Agreement with the Acquirers, are stated hereunder:

Sr. No.	Name, PAN and Address of the Sellers	Nature of entity	Changes in the names in the past	Part of the Promoter/Promoter Group	Equity Shares held prior to Share Purchase Agreement	% of Equity Shares
a)	<b>Jitendra Kumar Mehta</b> Permanent Account Number: 'AEXPM5957P'; Resident at 7, Lovelock Place, Ballygunge Sunflower Court, 3 <sup>rd</sup> Floor, Flat 3A, Kolkata - 700019, West Bengal, India;	Individual	NA	Yes	52,000	0.205%
b)	<b>Paraj Mehta</b> Permanent Account Number: 'AEXPM8388J'; Resident at 7, Lovelock Place, Ballygunge Sunflower Court, 3 <sup>rd</sup> Floor, Flat 3A, Kolkata - 700019, West Bengal, India;	Individual	NA	Yes	79,510	0.313%
c)	<b>Binjal Mehta</b> Permanent Account Number : 'AHCPM8403E'; Resident at 7, LovelockPlace, Ballygunge Sunflower Court, 3 <sup>rd</sup> Floor, Flat 3A, Kolkata - 700019, West Bengal, India;	Individual	NA	Yes	92,390	0.364%
d)	<b>Paraj Mehta HUF</b> Permanent Account Number: 'AAGHP3424F'; Acting through its Karta: Paraj Mehta; Resident at 7, Lovelock Place, Ballygunge Sunflower Court, 3 <sup>rd</sup> Floor, Flat 3A, Kolkata - 700019, West Bengal, India;	Hindu Undivided Family	NA	Yes	1,31,275	0.517%
e)	<b>Irawati Enterprises LLP</b> Permanent Account Number: 'AADFI5084K'; LLPIN: AAA-2093; Registered Office located at 1 RN Mukherjee Road 4 <sup>th</sup> Floor, Suite No.22, Kolkata – 700020, West Bengal, India;	Limited Liability Partnership	NA	Yes	22,00,000	8.660%
f)	<b>Meghnath Wealth Creators LLP</b> Permanent Account Number: 'AATFM1363K'; LLPIN: AAA-4006; Registered Office located at G-59 Nandram Market P-4 New Howrah Bridge Approach Road Kolkata – 700001, West Bengal, India;	Limited Liability Partnership	NA	Yes	13,80,400	5.434%
g)	<b>Vaikundam Advisors LLP</b> Permanent Account Number: 'AAJFV9493M' LLPIN: AAB-0398; Registered Office located at 1 RN Mukherjee Road 4 <sup>th</sup> Floor, Suite No.22 Kolkata – 700020, West Bengal, India;	Limited Liability Partnership	NA	Yes	24,15,000	9.506%
<b>Total</b>					<b>63,50,575</b>	<b>24.998%</b>



- 3.1.7. Apart as mentioned above, 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares constituting 24.998% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company, which the Acquirers have agreed to acquire pursuant to Share Purchase Agreement, the Acquirers have not acquired any Equity Shares of the Target Company during the 52 (Fifty-Two) week period prior to the date of the Public Announcement;
- 3.1.8. The Manager to the Offer does not hold any Equity Shares of the Target Company as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that, they shall not deal in the Equity Shares of the Target Company on their own account during the Offer Period. Further, the Manager to the Offer confirms that, as on date of this Draft Letter of Offer, there are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending;
- 3.1.9. This Offer is not as a result of indirect acquisition of the Target Company;
- 3.1.10. The salient features of the Share Purchase Agreement are as follows:
- a. The Sellers are holding 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company;
  - b. The Sellers have agreed to sell and the Acquirers have agreed to acquire in aggregate 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company, at a price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share, aggregating to ₹6,03,30,462.50/- (Rupees Six Crores Three Lakhs Thirty Thousand Four Hundred and Sixty-Two and Fifty Paise Only) (**‘Purchase Price’**);
  - c. The Sale Equity Shares are free from all charges, encumbrances, or liens and are not subjects to any lock in period;
  - d. The aggregate entire purchase consideration for the Sale Equity Shares aggregating to an amount of ₹6,03,30,462.50/- (Rupees Six Crores Three Lakhs Thirty Thousand Four Hundred and Sixty-Two and Fifty Paise Only) shall be payable by the Acquirers to the Sellers as per the following schedule:
    - (i) An amount of ₹50,00,000.00/- (Rupees Fifty Lakhs Only) remitted as earnest money upon entering into the Share Purchase Agreement;
    - (ii) The balance amount of ₹5,53,30,462.50 (Rupees Five Crore Fifty-Three Lakhs Thirty Thousand Four Hundred Sixty-Two and Paise Fifty Only) at any time before the completion/issue of the Open Offer formalities under the SAST Regulations and after receipt of RBI clearance;
  - e. After completion of this Offer, the Sellers, now existing Promoters falling under the category of the promoters and promoter group as disclosed under the shareholding pattern filed with the Stock Exchanges, shall cease to be the promoters and shall not hold any Equity Shares and Voting Rights Capital in the Target Company; and hence the Sellers shall be no longer be the shareholders of the Target Company in any capacity;
  - f. The Sellers shall sell, convey, and deliver to the Acquirers, Sale Equity Shares and the Acquirers shall purchase, acquire and accept the said Sale Equity Shares from the Sellers;
  - g. The Sale Equity Shares are free from all charges, encumbrances, pledges, liens, attachments, and litigations;
  - h. The Acquirers and the Sellers have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations;
  - i. Any non-compliance with any of the provisions of the SEBI (SAST) Regulations or the terms and conditions detailed in the Share Purchase Agreement, will lead to termination of the Share Purchase Agreement, effecting such sale from being acted upon by the Sellers or the Acquirers;
- 3.1.11. The Acquirers, hereby warrant and state that, they have not been prohibited by SEBI from dealing in the securities, in terms of the direction issued under Section 11B of the SEBI Act or under any other Regulations made under the SEBI Act. Further, there are no directions subsisting or proceedings pending against the Acquirers which have been issued/initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/or (b) any other regulator;
- 3.1.12. Apart from 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company proposed to be purchased by the Acquirers, through

the Share Purchase Agreement; and in reference to the fact that, as on the date of this Draft Letter of Offer, the Acquirers do not hold any Equity Shares and voting rights of the Target Company, the provisions of Chapter V of SEBI (SAST) Regulations are not applicable to the Acquirers;

3.1.13. As per Regulation 26 (6) and Regulation 26 (7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a Committee of Independent Directors who would provide written reasoned recommendation on this Offer to the Public Shareholders of the Target Company and such recommendations shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspaper where the Detailed Public Statement of this Offer was published;

### 3.2. Details of the proposed Offer

3.2.1. The Public Announcement to the Public Shareholders of the Target Company was issued on Monday, September 20, 2021 by the Manager to the Offer, for and on behalf of the Acquirers. A copy of the said Public Announcement was filed with SEBI, the Stock Exchanges, and the Target Company on Monday, September 20, 2021;

3.2.2. In accordance with Regulation 14 (3) of the SEBI (SAST) Regulations, the Detailed Public Statement was published in the following newspapers on Monday, September 27, 2021 in accordance with the provisions of Regulation 14 (3) of the SEBI (SAST) Regulations:

Publication	Language	Edition
Financial Express	English	All Editions
Jansatta	Hindi	All Edition
Duranta Barta	Bengali	Kolkata Edition
Mumbai Lakshadeep	Marathi	Mumbai Edition

3.2.3. The Detailed Public Statement is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in); website of BSE at [www.bseindia.com](http://www.bseindia.com); website of CSE at [www.cse-india.com](http://www.cse-india.com); and the website of Manager to the Offer [www.capitalsquare.in](http://www.capitalsquare.in);

3.2.4. The Acquirers have proposed to acquire from the Public Shareholders of the Target Company up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares, representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company at a price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share, 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 Public Announcement, the Detailed Public Statement, and this Draft Letter of Offer;

3.2.5. The Target Company doesn't have any partly paid-up Equity Shares. There are no outstanding warrants, or options or similar instrument, which are convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations;

3.2.6. The Acquirers will accept all the Equity Shares of the Target Company, that are tendered in valid form in terms of this Offer up to a maximum of 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) representing 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company;

3.2.7. Since the date of the Public Announcement to this date of Draft Letter of Offer, the Acquirers have not acquired any Equity Shares of the Target Company;

3.2.8. In terms of the Escrow Agreement and in accordance with the provisions of Regulation 17(3)(b) of the SEBI (SAST) Regulations, the Acquirers have deposited cash of ₹7,25,000.00/- (Rupees Seven Lakhs Twenty-Five Thousand Only) being 1.00% (One Percent) of the Maximum Consideration in accordance with the provisions of Regulation 17 (4) of the SEBI (SAST) Regulations and Bank Guarantee of an amount of ₹1,85,00,000.00/- (Rupees One Crore Eighty Five Lacs Only) issued by IDBI Bank Limited, a Banking Company registered under Companies Act, 1956 and having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India and one of its office at Trade Finance Department, Specialized Corporate Branch, Panampilly Nagar, Post Bag No 4253, Kochi – 682036, Kerala, India in favor of Manager to the Offer being equal to 25.00% (Twenty-Five Percent) of the Maximum Consideration;

3.2.9. No competing offer has been received as on date of this Draft Letter of Offer;

3.2.10. There is no differential pricing in this Offer;

- 3.2.11. This Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations;
- 3.2.12. This Offer is not pursuant to an indirect acquisition of Equity Shares of the Target Company;
- 3.2.13. The Equity Shares of the Target Company will be acquired by the Acquirers free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter;
- 3.2.14. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed CapitalSquare Advisors Private Limited as the Manager to the Offer;
- 3.2.15. As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the public shareholding, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR and the SEBI (LODR) Regulations;
- 3.2.16. Upon completion of this Offer, assuming full acceptances in the Offer, the Acquirers will hold 1,39,71,902 (One Crore Thirty-Nine Lakhs Seventy-One Thousand Nine Hundred and Two) Equity Shares constituting 54.998% of the present issued, subscribed and paid-up Equity Share capital of the Target Company;
- 3.3. Object of the Offer**
- 3.3.1. The prime object of this Offer is to have substantial holding of Equity Shares, and voting rights accompanied with the change in control and management of the Target Company;
- 3.3.2. The Acquirers have proposed to continue the existing business of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this Offer is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company; however, no firm decision in this regard has been taken or proposed so far;
- 3.3.3. The Acquirers state that, they do not have any plans to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (two) years from the date of closure of this Offer, except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required;
- 3.3.4. The Acquirers have reserved the right to streamline or restructure, pledge, or encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, at a later date in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time;
- 3.3.5. Post-completion of this Offer by acquisition of 30.00% (Thirty Percent) of the equity and Voting Share Capital of the Target Company and pursuant to the transfer of Equity Shares so acquired as contemplated under the Share Purchase Agreement, the Acquirers shall hold majority of the Equity Shares of the Target Company and they shall be in a position to exercise effective management and control over the Target Company;
- 3.3.6. Pursuant to this Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirers shall become the Promoters of the Target Company and, the Sellers will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations;

#### **4. BACKGROUND OF THE ACQUIRERS**

##### **4.1. V S Ranganathan (Acquirer 1)**

- 4.1.1. V S Ranganathan, s/o Sreenivasan, aged 60 years, having Permanent Account Number 'AJCPR5932P' under the Income Tax Act, 1961, resident at Valath House, Koorkkenchery, Thrissur – 680007, Kerala, India. The contact details of Acquirer 1 is +91-9995218510, and email address is [sranganathen@hotmail.com](mailto:sranganathen@hotmail.com);
- 4.1.2. Acquirer 1 has completed his Masters in Arts in English Literature from University of Kerala in the year 1984 and Bachelor of Science in Mathematics from University of Calicut in the year 1982; and has more than 26 years of experience in management and administration level, with more than 10 years of experience in the NBFC Sector;
- 4.1.3. Acquirer 1 is the Managing Director of Melker Finance and Leasing Private Limited, India Sogea Marine Engg. LLC., UAE, and is the Director of Melker Impex Private Limited, TMP Melker Infra Private Limited, Melker Travel Tours and Cargo Private Limited, Trustlink Insurance Brokers Private Limited. Additionally, Acquirer 1 is also a designated partner in Melker Premium LLP, and has also established his own business in UAE, and is affiliated as a member of the National Geographic Society;
- 4.1.4. The net worth of Acquirer 1 is ₹2,713.25 Lakhs as certified vide certificate dated Monday, 18 September, 2021, by CA P.Ganesan, Partner of P. Ganesan & Associates, Chartered Accountants, bearing Membership Number 214065 and Firm Registration Number 01422S, having its office located at Lakshmi Graha Apartments, Flat No. S-8, II Floor, Old No.96, New No. 99, Varadarajapuram Main Road, (Behind Poes Garden), Teynampet, Chennai – 600018, Tamil Nadu, India with contact details being +91-4424354793, and email address being [ganesan73@rediffmail.com](mailto:ganesan73@rediffmail.com);

##### **4.2. Vasanthi Ranganathan (Acquirer 2)**

- 4.2.1. Vasanthi Ranganathan, w/o Ranganathan Sreenivasan, aged 57 years, having Permanent Account Number 'AJFPV6904Q' under the Income Tax Act, 1961, resident at Valath House Koorkencher, Thrissur-680007, India. The contact details of Acquirer 2 is +91-9496123000, and email address is [sranganathen@hotmail.com](mailto:sranganathen@hotmail.com);
- 4.2.2. Acquirer 2 has completed her Masters in Finance in 1986, Bachelor of Education B.Ed. in 1987, and has more than 30 years of experience in teaching Biology and English in various High Schools in Kerala, India;
- 4.2.3. Acquirer 2 is a Director of Melker Impex Private Limited, Melker Finance and Leasing Private Limited; and is also a Designated Partner in Melker Premium LLP;
- 4.2.4. The net worth of Acquirer 2 is ₹261.60 Lakhs as certified vide certificate dated Monday, 18 September, 2021 by CA P.Ganesan, Partner of P. Ganesan & Associates, Chartered Accountants, bearing Membership Number 214065 and Firm Registration Number 01422S, having its office located at Lakshmi Graha Apartments, Flat No. S-8, II Floor, Old No.96, New No.99, Varadarajapuram Main Road, (Behind Poes Garden), Teynampet, Chennai – 600018, Tamil Nadu, India with contact details being +91-4424354793, and email address being [ganesan73@rediffmail.com](mailto:ganesan73@rediffmail.com);

##### **4.3. Bindu K C (Acquirer 3)**

- 4.3.1. Bindu K C, w/o Gireesh K.K., aged 47 years, having Permanent Account Number 'AQIPB7884P' under the Income Tax Act, 1961, resident at Kalarickal House, Elamthuruthy, Kuttanellur PO, Thrissur – 680014, Kerala, India. The contact details of Acquirer 3 is +91-976402163, and email address is [bindugireeshkc163gmail.com](mailto:bindugireeshkc163gmail.com);
- 4.3.2. Acquirer 3 has completed her Bachelor of Commerce from Calicut University; and has more than 16 years of experience in the insurance sector;
- 4.3.3. Acquirer 3 does not hold any directorship in any company or LLP;
- 4.3.4. The net worth of Acquirer 3 is ₹285.98 Lakhs as certified vide certificate dated Monday, 18 September, 2021, by CA Amal George, Partner of Vasan & Wales, Chartered Accountants, bearing Membership Number 240538 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore – 641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com);

#### 4.4. **Kanakavally Prathapan Karumanthra (Acquirer 4)**

- 4.4.1. Kanakavally Prathapan, w/o Prathapan Karumanthra Raman, aged 62 years, having Permanent Account Number 'AFOPK7572E' under the Income Tax Act, 1961, resident at Karumanthra House, Old Gate Road, Kanimangalam Post, Palissery, Thrissur - 680027, Kerala, India. The contact details of Acquirer 4 is +91-944029466, and email address is [krpratap401@gmail.com](mailto:krpratap401@gmail.com);
- 4.4.2. Acquirer 4 has completed her Bachelor of Arts and is the proprietress of Lifeline Wellness World and Dr. Kanaka's Beauty Clinics and Academy;
- 4.4.3. Acquirer 4 is the Managing Director of Apka Ecovillage Private Limited, director of Mangalakarma Nidhi Limited, and Apka Aviation Adventures Private Limited; and is the Designated Partner at Shareland Developers LLP and an Individual Partner at Melker Premium LLP;
- 4.4.4. The net worth of Acquirer 4 is ₹854.63 Lakhs as certified vide certificate dated Monday, 18 September, 2021, by CA Amal George, Partner of Vasan & Wales, Chartered Accountants, bearing Membership Number 240538 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore – 641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com);

#### 4.5. **Mridula Mukundan (Acquirer 5)**

- 4.5.1. Mridula Mukundan, d/o Thayyath Mukundan aged 31 years, having Permanent Account Number 'AWBPM0105H' under the Income Tax Act, 1961, resident at 17, Indira Nagar, Pallikulam PO, Chirakkal, Kannur – 670011, Kerala, India. The contact details of Acquirer 5 is +91-9819700442, and email address is [mridula.muku@gmail.com](mailto:mridula.muku@gmail.com);
- 4.5.2. Acquirer 5 has completed her Post Graduate Diploma in Management from IIM Lucknow in the year 2015, and her B.S. in Business Administration from Carnegie Mellon University, Qatar Campus in the year 2011. Acquirer 5 has more than 8 years of experience holding various positions in the area of Business Management by being a Marketing Manager, Associate General Manager, and Business Development Coordinator in various companies;
- 4.5.3. Acquirer 5 does not hold any directorship in any company or LLP;
- 4.5.4. The net worth of Acquirer 5 is ₹14.74 Lakhs as certified vide certificate dated Monday, 18 September, 2021, by CA Amal George, Partner of Vasan & Wales, Chartered Accountants, bearing Membership Number 240538 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore – 641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com);

#### 4.6. **Sujith Venugopalan (Acquirer 6)**

- 4.6.1. Sujit Venugopalan, s/o Venugopala, aged 40 years, having Permanent Account Number 'BFUPS5686E' under the Income Tax Act, 1961, resident at Vengassery Veedu, Edathara PO, Parli-II, Edathara, Palakkad – 678611, Kerala, India. The contact details of Acquirer 6 is +91-8589003360, and email address is [sujith102384@yahoo.co.in](mailto:sujith102384@yahoo.co.in);
- 4.6.2. Acquirer 6 has completed his pre-degree from Government College Victoria at Palakkad, degree in Chemistry from NSS college at Ottapalam, Kerala. Acquirer 6 has more than 19 years of experience in the area of Management; and is currently employed as a Vice President at Melker Finance and Leasing Private Limited;
- 4.6.3. Acquirer 6 does not hold any directorship in any company or LLP;
- 4.6.4. The net worth of Acquirer 6 is ₹3.98 Lakhs as certified vide certificate dated Monday, 18 September, 2021 by CA Gautham Damodaran, Partner of Vasan & Wales, Chartered Accountants, bearing Membership Number 240576 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore –641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com);

#### 4.7. Acquirers' Confirmation and Undertaking

- 4.7.1. As on date of this Draft Letter of Offer, the Acquirers do not hold any Equity Share in the Target Company. However, pursuant to the Share Purchase Agreement executed, they intend to acquire 63,50,575 (Sixty-Three Lakhs Fifty Thousand Five Hundred and Seventy-Five) Equity Shares, representing 24.998% of the equity and Voting Share Capital of the Target Company;
- 4.7.2. As on date of this Draft Letter of Offer, except the execution of the Share Purchase Agreement, the Acquirers do not have any interest or any other relationship in the Target Company and its promoters, directors or key employees
- 4.7.3. As on date of this Draft Letter of Offer, the Acquirers do not belong to any group;
- 4.7.4. As on date of this Draft Letter of Offer, the Acquirers are not forming part of the present promoter and promoter group of the Target Company;
- 4.7.5. The Acquirers, have individually, confirmed and declared that, none of the Acquirers are related to each other except Mr Ranganathan and Ms Vasanthy Ranganathan (Acquirer 1 and 2) who are husband and wife in any manner, and that there is/are no nominee(s) of the Acquirers on the Board of Directors of the Target Company;
- 4.7.6. The Acquirers, have individually, confirmed and declared that, they have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, or under any other regulation made under the SEBI Act;
- 4.7.7. The Acquirers, have individually, confirmed and declared that are no directions subsisting or proceedings pending against the Acquirer which have been issued/initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/or (b) any other regulator;
- 4.7.8. The Acquirers, have individually, confirmed and declared that, they have not been categorized nor are appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI;
- 4.7.9. The Acquirers, have individually, further confirmed and declared, the Acquirers are not declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018;
- 4.7.10. The Acquirers have stated that, there are no persons acting in concert in relation to this Offer within the meaning of Regulation 2 (1) (q) (1) of the SEBI (SAST) Regulations;
- 4.7.11. The Acquirers, hereby individually, undertake that, they will not sell the Equity Shares of the Target Company, held and acquired by them, if any, during the Offer period in terms of Regulation 25 (4) of the SEBI (SAST) Regulations;

#### 5. BACKGROUND OF TTI ENTERPRISE LIMITED

*(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)*

- 5.1. TTI Enterprise Limited was originally incorporated as a public company on June 12, 1981, under the name and style of 'Tycoons Trades And Investments Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, West Bengal and had obtained certificate of commencement of business dated July 13, 1981. The name of the Target Company was changed from 'Tycoons Trades and Investments Limited' to 'TTI Enterprise Limited', vide fresh certificate of incorporation issued by the Registrar of Companies, West Bengal, on July 01, 2011. The Corporate Identification Number of the Target Company is 'L67120WB1981PLC033771' and Permanent Account Number under Income Tax Act, 1961 is 'AABCT2625C', with its registered office situated at 1 R.N. Mukherjee Road, Martin Burn House, 4<sup>th</sup> Floor, Suite No.22, Kolkata - 700001, West Bengal, India;
- 5.2. The Target Company is registered as a 'Non-Deposit Taking Non-Banking Finance Company' vide certificate number 'B.05.02515' dated December 23, 2000 issued by Reserve Bank of India under the previous name 'Tycoons Trades and Investments Limited', and had thereafter obtained a fresh certificate pursuant to change in the name of the Target Company to 'TTI Enterprise Limited on March 27, 2012'. The Target Company is in the business of providing financial and insurance services and other financial activities;

5.3. As on the date of this Draft Letter of Offer, the authorized Equity Share capital of the Target Company is ₹25,50,00,000.00/- (Rupees Twenty-Five Crores Fifty Lakhs Only) comprising of 2,55,00,000 (Two Crores Fifty-Five Lakhs) Equity Shares; and the issued, subscribed, and paid-up Equity Share capital is ₹25,40,44,220.00/- (Rupees Twenty-Five Crores Forty Lakhs Forty-Four Thousand Two Hundred And Twenty Only) comprising of 2,54,04,422 (Two Crores Fifty-Four Lakhs Four Hundred and Twenty-Two) Equity Shares;

5.4. As on date of this Draft Letter of Offer, the paid-up capital structure of the Target Company is as follows:

Particulars of Equity Share capital	No. of Equity Shares and Voting Rights	% of Equity Shares and voting rights
Fully paid-up Equity Shares	25,404,422	100.00%
Partly paid-up Equity Shares	Nil	
Total Paid-up Equity Shares	25,404,422	100.00%
Total voting rights	25,404,422	100.00%

5.5. As on date this Draft Letter of Offer, the Target Company does not have any partly paid equity shares; and there are no outstanding warrants or options or similar instruments, convertible into equity shares at a later stage. Further, none of the Equity Shares are subject to any lock-in obligations;

5.6. The entire equity and Voting Share Capital of the Target Company is listed at BSE and CSE. The Target Company has already established connectivity with the Depositories. The Equity Shares of the Target Company bearing International Securities Identification Number 'INE404F01031' are placed under Group 'XT' bearing Scrip Code '538597' and Scrip ID 'TTIENT' on the BSE; and Scrip Code of '030137' on CSE;

5.7. As CSE is non-operational, there has been no trading in the Equity Shares of the Target Company on CSE for last many years; and based on the information available on the BSE's website, the Equity Shares of the Target Company are not frequently traded on BSE within the meaning of explanation provided in 2 (1) (j) of the SEBI (SAST) Regulations;

5.8. The Target Company is in compliance with the SEBI (LODR) Regulations, and as on date of this Draft Letter of Offer, no penal action has been taken by any of the Stock Exchanges against the Target Company;

5.9. There are no directions subsisting or proceedings pending against the Target Company under no directions subsisting or proceedings pending against the Acquirer which have been issued/initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/or (b) any other regulator;

5.10. The Target Company, Sellers, and the members of the Promoter and Promoter Group of the Company, and its directors are not or have not been declared as 'Fugitive Economic Offenders' under Section 12 of the Fugitive Economic Offenders Act, 2018, including subsequent amendments thereto, nor are they or have they been categorized nor are appearing in the 'Wilful Defaulter' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI;

5.11. There has been no merger, demerger, or spin-off during the last 3 (Three) years;

5.12. There has been no buyback the last 3 (Three) years;

5.13. No corporate actions have been undertaken by the Target Company during the preceding 3 (Three) years;

5.14. The present Board of Directors of the Target Company are as follows:

Sr. No.	Name	Date of Appointment	Director Identification Number	Designation
1.	Binjal Mehta	September 14, 2014	00043830	Whole Time-Director
2.	Paraj Mehta	November 14, 2016	00049230	Non-Executive Director
3.	Alok Kumar Goenka	September 07, 2006	00681040	Independent Director
4.	Kamlesh Velji Thakkar	September 23, 2019	00977332	Independent Director



## 5.15. Financial Information

The brief financial details of Target Company for the last 3 (Three) Financial Years ending March 31, 2021, March 31, 2020, and March 31, 2019 are as follows:

### Profit and Loss Statement

(Amount in ₹)

Particulars	For the Financial Year ending		
	March 31, 2021	March 31, 2020	March 31, 2019
Income from Operations	9,57,59,821.22	1,76,40,499.64	2,52,45,656.93
Other Income	1,001.00	3,05,277.00	12,532.00
<b>Total Income</b>	<b>9,57,60,822.22</b>	<b>1,79,45,776.64</b>	<b>2,52,58,188.93</b>
<b>Total Expenditure</b>	<b>9,37,74,820.58</b>	<b>1,98,19,462.12</b>	<b>2,44,43,693.03</b>
<b>Profit/ (Loss) before Tax</b>	<b>19,86,001.64</b>	<b>(18,73,685.48)</b>	<b>8,14,495.90</b>
<b>Less: Tax Expense</b>			
Current Tax Expense for the year	1,07,000.00	2,59,846.00	3,63,098.00
Deferred Tax (Assets) / Liabilities	2,17,470.00	(9,43,384.00)	(3,22,389.00)
Tax Adjustments for Earlier Years	55,121.00	13,68,586.00	(3,678.00)
<b>Net tax expense</b>	<b>3,79,591.00</b>	<b>6,85,048.00</b>	<b>37,031.00</b>
<b>Profit / (Loss) For the year from Continuing Operations</b>	<b>16,06,410.64</b>	<b>(25,58,733.48)</b>	<b>7,77,464.90</b>

### Balance Sheet

(Amount in ₹)

Particulars	For the Financial Year ending		
	March 31, 2021	March 31, 2020	March 31, 2019
<b>(A) Sources of funds</b>			
Paid-up share capital	25,40,44,220.00	25,40,44,220.00	25,40,44,220.00
Other Equity	1,32,52,046.41	1,16,30,635.77	1,41,39,369.25
<b>Net Worth</b>	<b>26,72,96,266.41</b>	<b>26,56,74,855.77</b>	<b>26,81,83,589.25</b>
<b>Non-Current Liabilities/ Non-Financial Liabilities</b>			
Provisions	40,157.00	2,86,957.00	2,86,957.00
Deferred Tax Liabilities	73,799.00	-	7,99,713.00
Current Liabilities:			
Other Financial Liabilities	19,830.00	22,260.00	15,020.00
<b>Total (A)</b>	<b>26,74,30,052.41</b>	<b>26,59,84,072.77</b>	<b>26,92,85,279.25</b>
<b>(B) Uses of funds</b>			
Cash and cash equivalents	5,58,421.21	1,28,73,808.39	4,20,939.88
Other Current Assets	20,43,01,422.40	18,75,12,125.66	11,62,96,338.88
Other Financial Assets	3,10,169.64	1,94,555.46	1,00,688.12
Current Investments	-	-	10,06,56,423.37
Non-Current Investments	3,87,05,714.16	2,10,43,555.26	-
Current Tax Assets (Net)	9,45,106.00	8,80,720.00	9,40,143.00
Deferred Tax Assets (Net)	-	1,43,671.00	-
Long term loans and advances	2,26,09,219.00	4,33,35,637.00	5,08,70,746.00
<b>Total (B)</b>	<b>26,64,84,946.41</b>	<b>26,49,59,681.77</b>	<b>26,83,45,136.25</b>

### Other Financial Data

Particulars	For the Financial Year ending		
	March 31, 2020	March 31, 2019	March 31, 2018
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (₹)	0.06	(0.10)	0.03
Return on Net worth (%)	0.60	(0.96)	0.3
Book Value Per Share (₹)	10.52	10.46	10.56

#### Notes:

- (i)  $EPS = \text{Profit after tax} / \text{number of outstanding Equity Shares at the close of the year/ period};$   
(ii)  $\text{Return on Net Worth} = \text{Profit after Tax} / \text{Net-Worth};$



(iii) Book Value per Share = Net-Worth / No. of Equity Shares;

(iv) Source: Audited Annual Reports or Audited Financial Statements or Unaudited Financial Results;

5.16. Pre-Offer and Post-Offer shareholding of the Target Company (based on the issued, subscribed and paid-up Equity Share capital and Voting Share Capital)

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Shareholding/ voting rights after 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	%
(1) Promoter Group								
a) Parties to the Share Purchase Agreement								
Jitendra Kumar Mehta	52,000	0.205%	(52,000)	(0.205%)	--	--	--	--
Paraj Mehta	79,510	0.313%	(79,510)	(0.313%)	--	--	--	--
Binjal Mehta	92,390	0.364%	(92,390)	(0.364%)	--	--	--	--
Paraj Mehta HUF	1,31,275	0.517%	(1,31,275)	(0.517%)	--	--	--	--
Irawati Enterprises LLP	22,00,000	8.660%	(22,00,000)	(8.660%)	--	--	--	--
Meghnath Wealth Creators LLP	13,80,400	5.434%	(13,80,400)	(5.434%)	--	--	--	--
Vaikundam Advisors LLP	24,15,000	9.506%	(24,15,000)	(9.506%)	--	--	--	--
b) Promoters other than specified in (a) above	--	--	--	--	--	--	--	--
<b>TOTAL (1) = (a) + (b)</b>	<b>63,50,575</b>	<b>24.998%</b>	<b>(63,50,575)</b>	<b>(24.998)</b>	--	--	--	--
(2) Acquirers								
Ranganathan V S	--	--	12,64,000	4.976%	15,17,000	5.971%	27,81,000	10.947%
Vasanthy Ranganathan	--	--	9,24,065	3.637%	11,08,500	4.363%	20,32,565	8.001%
Bindu K C	--	--	10,78,000	4.243%	14,95,000	5.885%	25,73,000	10.128%
Kanakavally Prathapan Karumanthra	--	--	30,39,500	11.964%	34,47,000	13.569%	64,86,500	25.533%
Mridula Mukundan	--	--	39,500	0.155%	47,000	0.185%	86,500	0.340%
Sujith Venugopalan	--	--	5,510	0.022%	6,827	0.027%	12,337	0.049%
<b>TOTAL (2)</b>	<b>--</b>	<b>--</b>	<b>63,50,575</b>	<b>24.998%</b>	<b>76,21,327</b>	<b>30.00%</b>	<b>1,39,71,902</b>	<b>54.998%</b>
(3) Parties to the SPA other than (1)	--	--	--	--	--	--	--	--
(4) Public	--	--	--	--	--	--	--	--
a) FIs/ MFs/ FIIs/ Banks/ SFIs (Indicate names)	--	--	--	--	--	--	--	--
b) Others	--	--	--	--	--	--	--	--
c) Other than parties to the Share Purchase Agreement	--	--	--	--	--	--	--	--

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Shareholding/ voting rights after 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	%
from Promoter and Promoter Group								
d) Total No. of shareholders in the Public category, i.e., 1,006 shareholders	1,90,53,847	75.002%	--	--	(76,21,327)	(30.00%)	1,14,32,520	45.002%
<b>TOTAL (4)</b>	1,90,53,847	75.002%	--	--	(76,21,327)	(30.00%)	1,14,32,520	45.002%
<b>GRAND TOTAL</b>	<b>2,54,04,422</b>	<b>100.00%</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>2,54,04,422</b>	<b>100.00%</b>

**Notes:**

i. No Equity Shares are subject to lock-in;

ii. The Acquirers have not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of the Offer Price

6.1.1. The Equity Shares of the Target Company having International Securities Identification Number 'INE404F01031' are presently listed on the Stock Exchanges. Further, the Equity Shares of the Target Company are placed under Group 'XT' having a scrip code of '538597' and Scrip ID 'TTIENT' on the BSE; whereas the Equity Shares bear scrip code '030137' on CSE;

6.1.2. Further, as CSE is non-operational, there has been no trading in the Equity Shares of the Target Company on CSE for last many years. The total trading turnover in the Equity Shares of the Target Company on the BSE i.e. the nation-wide trading terminal based on trading volume during the 12 (Twelve) calendar months prior to the month of Public Announcement (September 01, 2020 to August 31, 2021) is as given below:

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of Public Announcement	Total No. of listed equity shares of the Target Company	Total Trading Turnover (as % of total Equity Shares listed)
BSE Limited	15,02,087	2,54,04,422	5.91%

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

Based on the above information available on the website of the BSE, the Equity Shares of the Target Company are not frequently traded shares within the meaning of explanation provided in Regulation 2 (1) (j) of the SEBI (SAST) Regulations;

6.1.3. The Offer Price has been determined taking into account the parameters as set out under Regulation 8 (2) of the SEBI (SAST) Regulations, as under:

Sr. No.	Particulars	Price (In ₹ per Equity share)
1.	Negotiated Price under the Share Purchase Agreement	₹9.50/-
2.	The Volume Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of Public Announcement	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during 26 (Twenty-Six) weeks immediately preceding the date of Public Announcement	Not Applicable
4.	The Volume Weighted Average Market Price of shares for a period of 60 (Sixty) trading days immediately preceding the date of the public announcement as traded on the BSE	Not Applicable

Sr. No.	Particulars	Price (In ₹ per Equity share)
	Limited where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period	

*FCA Tarun Mahajan, a Registered Valuer, bearing registration number IBBI/RV/06/2019/11652 having its office located at 161, Tilak Nagar, Ext, Indore – 452018, Madhya Pradesh, India, with contact details +91-983040600 ('Registered Valuer'), vide certificate dated Monday, September 20, 2021, calculated the fair value of the Equity Shares of Target Company as ₹9.47/- (Rupees Nine and Forty-Seven Paise Only) per Equity Share.*

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manger to the Offer, the Offer Price of ₹9.50/- (Rupees Nine and Fifty Paise Only) per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations;

- 6.1.4. As on date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations;
- 6.1.5. 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 adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this Detailed Public Statement 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;
- 6.1.6. In the event of any acquisition of Equity Shares by the Acquirers during the Offer period, at a price higher than the Offer Price, then 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 Acquirers shall not acquire any Equity Shares after the 3<sup>rd</sup> (Third) Working Day prior to the commencement of the Tendering Period of this Offer and until the expiry of the tendering period of this Offer.
- 6.1.7. As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done 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. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which this this Detailed Public Statement has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision.
- 6.1.8. If the Acquirers acquire or agrees to acquire any Equity Shares or voting share capital rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8 (8) of SEBI (SAST) Regulations. Provided that no such acquisition shall be made after the 3<sup>rd</sup> (Third) working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. Further, in accordance with Regulation 18 (4) and Regulation 18 (5) of the SEBI (SAST) Regulations, in case of an upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, the Acquirers would (a) make public announcement in the same newspapers in which this Detailed Public Statement has been published; and (b) simultaneously notify to SEBI, the Stock Exchanges, and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations;
- 6.1.9. If the Acquirers acquire 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, the Acquirers would pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Equity 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 Offer under SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (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. In terms of Regulation 25 (1) of the SEBI (SAST) Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of this Offer in full out of their own sources, and net-worth is calculated after deducting the borrowings made by the Acquirers from any bank and/ or financial institutions as envisaged. CA P.Ganesan, Partner of P. Ganesan & Associates, Chartered Accountants, bearing Membership Number 214065 and Firm Registration Number 01422S, having its office located at Lakshmi Graha Apartments, Flat No. S-8, II Floor, Old No.96, New No.99, Varadarajapuram Main Road, (Behind Poes Garden), Teynampet, Chennai – 600 018, Tamil Nadu, India with contact details being +91-4424354793, and email address being [ganesan73@rediffmail.com](mailto:ganesan73@rediffmail.com) for Acquirer 1 and Acquirer 2; CA Amal George, Partner of Vasam & Wales, Chartered Accountants, bearing Membership Number 240538 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore 641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com) for Acquirer 3, Acquirer 4, and Acquirer 5; and CA Gautham Damodaran, Partner of Vasam & Wales, Chartered Accountants, bearing Membership Number 240576 and Firm Registration Number 050050S, having its office located at Rukmani Illam, No. 10, Chokkampudur Road, Krishna Nagar, Coimbatore – 641001, Tamil Nadu, India with contact details being +91-9207837222, and email address being [vasanwales@gmail.com](mailto:vasanwales@gmail.com) for Acquirer 6 have vide certificates dated Saturday, 18 September, 2021, stated that sufficient resources are available with Acquirers for fulfilling the obligations under this Offer in full;
- 6.2.2. The maximum consideration payable by the Acquirers to acquire up to 76,21,327 (Seventy-Six Lakhs Twenty-One Thousand Three Hundred and Twenty-Seven) Equity Shares at the Offer Price of ₹9.50/- (Rupees Nine and Fifty Paise Only), assuming full acceptance of the Offer would be ₹7,24,02,607.00/- (Rupees Seven Crores Twenty-Four Lakhs Two Thousand Six Hundred and Seven Only);
- 6.2.3. The Acquirers, Manager to the Offer and IndusInd Bank (**‘Escrow Banker’**), have entered into an escrow agreement dated Monday, September 20, 2021 for the purpose of this Offer. In terms of the Escrow Agreement and in accordance with the provisions of Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have deposited cash of ₹7,25,000.00/- (Rupees Seven Lakhs Twenty-Five Thousand Only) being 1.00% (One Percent) of the Maximum Consideration in accordance with the provisions of Regulation 17 (4) of the Takeover Regulations in an escrow account bearing name and style as ‘TTI - Open Offer Escrow Account’ opened with the Escrow Banker. The Manager has been authorized to operate the Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations and the terms set out in the Escrow Agreement;
- 6.2.4. The Acquirers have furnished a Bank Guarantee of an amount of ₹1,85,00,000.00/- (Rupees One Crore Eighty Five Lacs Only) issued by IDBI Bank Limited, a Banking Company registered under Companies Act, 1956 and having its registered office at IDBI Tower, WTC Complex, Cuffe Parade, Mumbai – 400005, Maharashtra, India and one of its office at Trade Finance Department, Specialized Corporate Branch, Panampilly Nagar, Post Bag No 4253, Kochi – 682036, Kerala, India in favor of Manager to the Offer being equal to 25.00% (Twenty-Five Percent) of the Maximum Consideration. The Manager to the Offer has been duly authorized to realize the value of aforesaid Bank Guarantee in terms of the SEBI (SAST) Regulations and the terms set out in the Bank Guarantee;
- 6.2.5. The Manager has been duly authorized in accordance with the SEBI (SAST) Regulations and pursuant to the terms of the Escrow Agreement to realize the Bank Guarantee to meet the obligations of the Acquirers in connection with the Offer. The Bank Guarantee shall remain valid until the closure of offer period or March 31, 2022. In the event the Acquirers propose to complete the transactions under the Share Purchase Agreement, prior to the expiry of the Offer period, the Acquirers shall prior to such completion, deposit 100.00% (Hundred Percent) of the Offer Size in cash with the Escrow Banker, in an Escrow Account with an irrevocable lien marked in the favor of the Manager to the Offer to encash the proceeds in terms of the SEBI (SAST) Regulations. The Manager to the Offer shall thereafter return the Bank Guarantee to the Escrow Banker and refund the Cash Escrow to the Acquirers;
- 6.2.6. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Registered Valuer, the Manager to the Offer is satisfied about the ability of the Acquirers to fulfill their obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations;
- 6.2.7. In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirers would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision;

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

- 7.1. The Letter of Offer will be mailed to all those Public Shareholders of the Target Company (except the parties to the Share Purchase Agreement) whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Friday, October 29, 2021;
- 7.2. Accidental omission to dispatch the Letter of Offer or the non-receipt or delayed receipt of the Letter of Offer will not invalidate this Offer in anyway;
- 7.3. Subject to the conditions governing this Offer, as mentioned in the Letter of Offer, the acceptance of this Offer by the Public Shareholder/s must be absolute and unqualified. Any acceptance to this Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever;
- 7.4. In terms of the Regulation 18 (9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in this Offer shall not be entitled to withdraw such acceptance;
- 7.5. **Locked-in Shares**
- None of the Equity Shares of the Target Company are subject to lock-in;
- 7.6. **Eligibility for accepting the Offer**
- 7.6.1. The Letter of Offer shall be mailed to all the Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form (except the present Promoter Group shareholders and Acquirers) whose names appear in register of Target Company as on Friday, October 29, 2021, the Identified Date;
- 7.6.2. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Public Shareholders as on the Identified Date;
- 7.6.3. All Public Shareholders and/or beneficial owners (except the present Promoter group shareholders, and the Acquirers) who own Equity Shares of the Target Company any time before the closure of this Offer are eligible to participate in this Offer;
- 7.6.4. The Acquirers have appointed Purva Sharegistry (India) Private Limited, as the Registrar to the Offer bearing SEBI Registration Number 'INR000001112', having office at Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400011, Maharashtra, India, bearing contact details such as contact number 022 2301 2518 / 8261, Email Address [support@purvashare.com](mailto:support@purvashare.com) and website [www.purvashare.com](http://www.purvashare.com). The Contact Person Deepali Dhuri can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays and all public holidays) on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period of this Offer;
- 7.6.5. The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance will also be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the website of SEBI for applying in this Offer;
- 7.6.6. Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders;
- 7.6.7. The acceptance of this Offer by the Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever;
- 7.6.8. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/beneficial owner(s) of Target Company;
- 7.6.9. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard;

7.6.10. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager to the Offer;

7.6.11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Offer.

#### 7.7. Statutory Approvals and conditions of the Offer

7.7.1. The Target Company, being a Non-Deposit taking Non-Banking Finance Company registered with the Reserve Bank of India, is mandated in an event of any acquisition or transfer of control of Non-Banking Finance Company, to seek and obtain prior approval of Reserve Bank of India in terms of Paragraph 61 of Chapter – IX of Section III of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016;

7.7.2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required & received any approvals (including from the RBI, the FIPB 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 in this Offer, along with other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirers have reserves the right to reject such Equity Shares tendered in this Offer;

7.7.3. The Acquirers in terms of Regulation 23 of SEBI (SAST) Regulations will have a right not to proceed with this Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (Two) working days of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared;

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

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

8.1. This Offer will be implemented by the Acquirers, through stock exchange mechanism as provided under the SEBI (SAST) Regulations and the SEBI circular bearing reference number ‘CIR/CFD/POLICY/CELL/1/2015’ dated April 13, 2015 and SEBI circular bearing reference number ‘CFD/DCR2/CIR/P/2016/131’ dated December 09, 2016 issued by SEBI and on such terms and conditions as may be permitted by law from time to time;

8.2. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer;

8.3. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (‘**Acquisition Window**’)

8.4. For implementation of this Offer, the Acquirers have appointed Nikunj Stock Brokers Limited Securities Private Limited (‘**Buying Broker**’) through whom the purchases and settlements on account of this Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

<b>Name</b>	<b>Nikunj Stock Brokers Limited;</b>
<b>Address</b>	A-92, Gf, Left Portion, Kamla Nagar, New Delhi - 110007, India;
<b>Contact Details</b>	+011-47030000-01;
<b>Email Address</b>	<a href="mailto:info@nikunjonline.com">info@nikunjonline.com</a> ;
<b>Contact Person</b>	Mr. Pramod Kumar Sultania;

8.5. All the Public Shareholders who desire to tender their Equity Shares under this Offer would have to approach their respective stock brokers (‘**Selling Broker**’), during the normal trading hours of the secondary market during the Tendering Period;

- 8.6. The Acquisition Window provided by the BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only;
- 8.7. The cumulative quantity tendered shall be displayed on the BSE's website throughout the trading session at specific intervals by the BSE during Tendering Period;
- 8.8. Public Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 8.9. **Procedure for Equity Shares held in physical form**
- 8.9.1. In accordance with the Frequently Asked Questions issued by SEBI, 'FAQs – Tendering of physical shares in buyback offer/open offer /exit offer /delisting' dated February 20, 2020 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 issued by SEBI the shareholders holding securities in physical form are allowed to tender shares in Offer through tender offer route. However, such tendering shall be as per the provisions of respective regulations;
- 8.9.2. Public Shareholders who are holding physical Equity Shares and intend to participate in the Offer shall approach Selling Broker. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of Equity Shares etc.;
- 8.9.3. After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder's PAN Card, and (d) TRS, 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 either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the Offer Closing Date by 5:00 p.m. The envelope should be superscripted as '**TTI Open Offer**'. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker;
- 8.9.4. 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 relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport;
- 8.9.5. Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. The acceptance of the physical Equity Shares for the Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform;
- 8.9.6. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected;
- 8.9.7. Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of Equity Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
- a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired;
- b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s);



- c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance;

#### **8.10. Procedure for tendering the Equity Shares**

- 8.10.1. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker, indicating details of Equity Shares they wish to tender in this Offer;
- 8.10.2. The Selling Broker shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation before placing the bids/ orders and the same shall be validated at the time of order entry;
- 8.10.3. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected;
- 8.10.4. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE/ Clearing Corporation, before the offer opening date of this Offer;
- 8.10.5. Upon placing the bid, the Seller member(s) shall provide Transaction Registration Slip generated by the Exchange Bidding System to the shareholder. Transaction Registration Slip will contain details of order submitted like Bid-ID No., DP-ID, Client-ID, No of Equity Shares tendered, etc.;
- 8.10.6. The Public Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer;

#### **9. ACCEPTANCE OF EQUITY SHARES**

- 9.1. The Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within the specified timelines;
- 9.2. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Equity Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from an Public Shareholder shall not be less than the minimum marketable lot;

#### **10. PROCEDURE FOR TENDERING THE EQUITY SHARES IN CASE OF NON-RECEIPT OF THE LETTER OF OFFER**

- 10.1. Public Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer;
- 10.2. A Public Shareholder may participate in this Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Offer as per the procedure mentioned in the Letter of Offer;
- 10.3. The Letter of Offer along with acceptance form will be dispatched to all the eligible Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company;
- 10.4. The Letter of Offer along with the Form of Acceptance would also be available at website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and Public Shareholders can also apply by downloading such forms from the said website;
- 10.5. Alternatively, in case of non-receipt of the Letter of Offer, the eligible Public Shareholders holding the Equity Shares may participate in this Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client-ID number, DP name, DP-ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraph 8.9 titled as '*Procedure for Equity Shares held in physical form*' at page 23 of this Draft Letter of Offer. Such eligible Public Shareholders have to ensure that their order is entered in the electronic platform of BSE which will be made available by BSE before the closure of the Tendering Period;



## **11. SETTLEMENT PROCESS**

- 11.1. On closure of this Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the BSE Limited to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation;
- 11.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. The Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favor of Clearing Corporation;
- 11.3. The direct credit of Equity Shares shall be given to the demat account of the Acquirers indicated by the Acquirer's Buying Broker. The Buying Broker will transfer the funds pertaining to this Offer to the Clearing Corporation's bank account as per the prescribed schedule;
- 11.4. For the same, the existing facility of client direct payout in the capital market segment shall be available;
- 11.5. The Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under this Offer;
- 11.6. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the Buying Broker's pool account;
- 11.7. In case of partial or non-acceptance of orders or excess pay-in, demat Equity Shares shall be released to the securities pool account of the Selling Broker(s)/ custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance Equity Shares to the Public Shareholders;

## **12. SETTLEMENT OF FUNDS OR PAYMENT CONSIDERATION**

For Equity Shareholders holding Equity Shares in demat

- 12.1. The settlements of fund obligation for demat Equity shares shall be effected by clearing corporation. For the Equity Shares accepted under this Offer, the payment will be made by the Clearing Corporation to the Public Shareholders directly to their bank account;
- 12.2. The payment will be made to the Buying Broker for the settlement. For Equity Shares accepted under this Offer, the Public Shareholders will receive funds payout in their settlement bank account;
- 12.3. The funds received from Buyer Broker by the Clearing Corporation will be released directly, to the Public Shareholder;
- 12.4. Public Shareholder who intends to participate in this Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Public Shareholders for tendering Equity Shares in this Offer (secondary market transaction). The consideration received by the selling Public Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder;
- 12.5. In case of delay in receipt of any statutory approval(s), the SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, and subject to such terms and conditions as specified by the SEBI (including payment of interest in accordance with Regulation 18 (11) of the SEBI (SAST) Regulations grant an extension of time to the Acquirers pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Public Shareholders whose Equity Shares have been accepted in the Offer;

## **13. NOTE ON TAXATION**

- 13.1. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the 'Situs' of such shares. 'Situs' of the shares is generally where a company is 'incorporated'. Accordingly, since the

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

- 13.2. Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates;
- 13.3. Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.
- 13.4. Taxability of Capital Gain in the hands of the Public Shareholders:
- 13.4.1. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to STT upon both acquisition and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the capital gains tax would be calculated on gains exceeding ₹1,00,000/- (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any capital gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.
- 13.4.2. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).
- 13.4.3. Any applicable surcharge and education cess would be in addition to above applicable rates;
- 13.4.4. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer. However, in case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealer's/ tax advisors appropriately;
- 13.4.5. The tax implications are based on provisions of the IT Act as applicable as on date of this Draft Letter of Offer. In case of any amendment made effective prior to the date of closure of this Offer, then the provisions of the IT Act as amended would apply;
- 13.4.6. Notwithstanding the details given above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws. The final tax liability of the Public Shareholder shall remain of such Public Shareholder and the said Public Shareholder will appropriately disclose the amounts received by it, pursuant to this Offer, before the Indian income tax authorities.
- 13.5. **THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

#### **14. DOCUMENTS FOR INSPECTION**

The copies of the following documents will be available for inspection at the registered office of the Manager to the Offer, CapitalSquare Advisors Private Limited 208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai-400093, Maharashtra, India on any working day between 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) during the period this Offer is open i.e., from Tuesday, November 16, 2021 to Tuesday November 30, 2021;

- 14.1. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company;
- 14.2. Memorandum of Understanding between the Manager to Offer and the Acquirers;
- 14.3. The copy of Agreement between the Registrar to the Offer and the Acquirers;
- 14.4. Certificates dated Saturday, 18 September, 2021 by (a) CA P.Ganesan, Partner of P. Ganesan & Associates, Chartered Accountants, for Acquirer 1 and Acquirer 2; (b) CA Amal George, Partner of Vasan & Wales, Chartered Accountants, for Acquirer 3, Acquirer 4, Acquirer 5; and (c) CA Gautham Damodaran, Partner of Vasan & Wales, Chartered Accountants, for Acquirer 6 have vide certificates dated Saturday, 18 September, 2021, stated that sufficient resources are available with Acquirers for fulfilling the obligations under this Offer in full;
- 14.5. The certificate dated September 20, 2021 issued by FCA Tarun Mahajan, a Registered Valuer, bearing registration number IBBI/RV/06/2019/11652 having their office at 161, Tilak Nagar, Ext, Indore – 452018, Madhya Pradesh, India, Tel: +91 9769113490, relating to the fair value of the Equity Shares of the Target Company;
- 14.6. Audited Annual Reports for the last 3 (Three) Financial Years ending March 31, 2021, March 31, 2019 and March 31, 2018.
- 14.7. Bank Statement received from IndusInd Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- 14.8. Bank Guarantee of an amount of ₹1,85,00,000.00/- (Rupees One Crore Eighty Five Lacs Only) issued by IDBI Bank Limited in favor of Manager to the Offer.
- 14.9. The copy of Share Purchase Agreement dated Monday, September 20, 2021, between the Promoters and the Acquirers, which triggered this Offer;
- 14.10. Copy of the Public Announcement dated Monday, September 20, 2021 and published copy of the Detailed Public Statement published on behalf of the Acquirers on Monday, September 27, 2021, in the newspapers;
- 14.11. Copy of the recommendations to be made on Friday, November 12, 2021 to be made by the Committee of Independent Directors of the Target Company;
- 14.12. Copy of SEBI Observation bearing reference number '[●]' dated [●];
- 14.13. Escrow Agreement between Acquirers, IndusInd Bank Limited and Manager to the Offer;

#### **15. DECLARATION BY THE ACQUIRERS**

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirers have relied on the information provided by the Target Company and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirers accept full responsibility for the information contained in this Draft Letter of Offer and also accepts responsibility for the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations. The Acquirers shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

**On Behalf of the Acquirers,  
Ranganathan V S**

**Date: Thursday, September 30, 2021  
Place: Mumbai**