

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a registered Equity Shareholder (as defined hereinafter) of S.P. Apparels Limited (the "Company") as on the Record Date (as defined hereinafter) in accordance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2010, as amended (the "Buyback Regulations"). If you require any clarifications about the action to be taken, you should consult your stockbroker or your investment consultant or the Manager to the Buyback i.e. Motilal Oswal Investment Advisors Limited or the Registrar to the Buyback i.e. Link Intime India Private Limited. Please refer to the section on "Definitions of Key Terms" for the definition of the capitalized terms used herein.



S.P. Apparels Limited

Registered Office: 39-A, Extension Street, Kaikattipudur, Avinashi, Tirupur, Tamil Nadu, 6410654

CIN: L10810010TZ2005PLC0102295

Tel: (+91) 4296 714000; **Facsimile:** (+91) 4296-714281

Website: www.spapparels.com; **Email:** csooffice@spapparels.com

Contact Person: Ms. K. Vinodhini, Company Secretary & Compliance Officer

OFFER FOR BUYBACK OF UPTO 6,00,000 (SIX LAKH ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹10/- EACH ("EQUITY SHARES") OF S.P. APPARELS LIMITED (THE "BUYBACK"), REPRESENTING 2.34% OF THE TOTAL NUMBER OF EQUITY SHARES IN THE PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, AS ON MARCH 31, 2022, FROM ALL THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS OF THE FULLY PAID-UP EQUITY SHARES OF THE COMPANY AS ON THE RECORD DATE I.E. OCTOBER 7, 2022 ("RECORD DATE"), ON A PROPORTIONATE BASIS, THROUGH THE "TENDER OFFER" ROUTE USING THE STOCK EXCHANGE MECHANISM, AT A PRICE OF ₹ 585/- (RUPEES FIVE HUNDRED AND EIGHTY FIVE ONLY) PER EQUITY SHARE (THE "BUYBACK PRICE"), PAYABLE IN CASH, FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹ 35,10,00,000/- (RUPEES THIRTY FIVE CRORE TEN LAKH ONLY), EXCLUDING TRANSACTION COSTS (THE "BUYBACK SIZE"). AS REQUIRED UNDER THE BUYBACK REGULATIONS, EQUITY SHARES TO BE BOUGHT BACK ARE DIVIDED INTO TWO CATEGORIES: (I) RESERVED CATEGORY FOR SMALL SHAREHOLDERS (AS DEFINED HEREINAFTER); AND (II) GENERAL CATEGORY FOR ALL OTHER ELIGIBLE SHAREHOLDERS

- The Buyback is in accordance with Article 13 of the Articles of Association of the Company and Sections 68, 69, 70 and all other applicable provisions of the Companies Act, 2013, (the "Act"), and applicable rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014, ("Share Capital Rules"), Companies (Management and Administration) Rules, 2014, as amended, to the extent applicable, in compliance with the SEBI Buyback Regulations read with the SEBI Circulars and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations"), and including any amendments, statutory modifications or re-enactments thereof, for the time being in force and subject to such other approvals, permissions, consents, exemptions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions, consents, exemptions and sanctions as may be required from time to time from any statutory and/ or regulatory authorities including but not limited to Securities and Exchange Board of India, National Stock Exchange of India Limited, BSE Limited, Registrar of Companies, Reserve Bank of India, etc.
- The Buyback Size is 5.68% and 5.62% of the aggregate of the fully paid-up equity share capital and free reserves (including securities premium account) as per the audited standalone and consolidated financial statements of the Company as on March 31, 2022 respectively (the latest audited standalone and consolidated financial statements available for the financial year as on the date of the Board meeting approving the proposal of the Buyback, held on September 21, 2022) and is within the statutory limits of 10% of the total fully paid-up equity share capital and free reserves (including securities premium account) as per the latest audited standalone and consolidated financial statements of the Company for financial year ended March 31, 2022 respectively. The Equity Shares proposed to be bought back represent 2.34% of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2022.
- The Letter of Offer will be sent to the Equity Shareholder(s)/ Beneficial Owner(s) holding Equity Shares of the Company as on the Record Date i.e. October 07, 2022.
- The procedure for tendering Equity Shares and settlement is set out in Clause 20 (Procedure for Tender Offer and Settlement) on page 33 of this Draft Letter of Offer. The Form of Acceptance-cum-Acknowledgement (the "Tender Form") along with share transfer form ("Form SH-4") is enclosed together with this Draft Letter of Offer.
- The procedure for Acceptance is set out in Clause 19 (Process and Methodology for the Buyback) on page 29 of this Draft Letter of Offer. The payment of consideration is in cash to the Eligible Shareholders. For further details on mode of payment of consideration to the Eligible Shareholders, please refer to Clause 20 (Procedure for Tender Offer and Settlement) on page 33 of this Draft Letter of Offer.
- Equity Shareholders are advised to refer to Clause 17 (Details of the Statutory Approvals) and Clause 21 (Note on Taxation) on pages 28 and 40 respectively of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.
- A copy of the Public Announcement dated September 22, 2022, published on September 23, 2022, this Draft Letter of Offer and the Letter of Offer (including the Tender Form and Form No. SH-4) shall also be available on the website of the Company- www.spapparels.com and is expected to be available on the websites of Securities and Exchange Board of India- www.sebi.gov.in, NSE (www.nseindia.com), BSE (www.bseindia.com), and Registrar to the Buyback (www.linkintime.co.in).

MANAGER TO THE BUYBACK



Motilal Oswal Investment Advisors Limited

Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025, Maharashtra, India

Tel. No.: +91 22 7193 4380

Email: spal.buyback2022@motilaloswal.com

Investor Grievance E-mail: moiaplredressal@motilaloswal.com

Website: www.motilaloswalgroup.com

Contact person: Ritu Sharma/Kirti Kanoria

SEBI Registration No.: INM000011005

CIN: U67109MH2006PLC1060583

REGISTRAR TO THE BUYBACK



Link Intime India Private Limited

C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200

Facsimile: +91 22 4918 6195

Email: spapparels.buyback@linkintime.co.in

Website: www.linkintime.co.in

Contact Person: Mr. Sumeet Deshpande

SEBI Registration No.: INR000004058

CIN: U67190MH1999PTC118368

BUYBACK OPENS ON: [●], [●], 2022

BUYBACK CLOSES ON: [●], [●], 2022

LAST DATE/ TIME OF RECEIPT OF COMPLETED TENDER FORMS AND OTHER SPECIFIED DOCUMENTS INCLUDING PHYSICAL SHARE CERTIFICATES BY THE REGISTRAR TO THE BUYBACK: [●], [●], 2022 by 5.00 PM IST

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1. SCHEDULE OF ACTIVITIES

Activity	Schedule of activities	
	Date	Day
Date of the Board meeting to approve the proposal for Buyback of Equity Shares	September 21 2022	Wednesday
Date of Public Announcement for the Buyback	September 22, 2022	Thursday
Date of publication of Public Announcement for the Buyback	September 23, 2022	Friday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	October 07, 2022	Friday
Buyback opens on/ date of opening of Buyback	[●], 2022	[●]
Buyback closes on/ date of closing of Buyback	[●], 2022	[●]
Last date of receipt of completed Tender Forms and other specified documents including physical share certificates by the Registrar to the Buyback	[●], 2022	[●]
Last date of verification of Tender Forms by the Registrar to the Buyback	[●], 2022	[●]
Last date of intimation to the Designated Stock Exchange regarding Acceptance or non-acceptance of tendered Equity Shares	[●], 2022	[●]
Last date of settlement of bids on the Designated Stock Exchange	[●], 2022	[●]
Last date of dispatch of share certificate(s) by the Registrar to the Buyback/ unblocking/ return of unaccepted demat Equity Shares by Designated Stock Exchange to Seller Member/ Eligible Shareholders	[●], 2022	[●]
Last date for payment of consideration to Eligible Shareholders who participated in the Buyback	[●], 2022	[●]
Last date of extinguishment of Equity Shares bought back	[●], 2022	[●]

Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.

2. DEFINITION OF KEY TERMS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies or specified otherwise, shall have the meaning provided below. References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision. The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the Buyback Regulations, the Act, the Depositories Act, and the rules and regulations made thereunder.

Term	Description
Acceptance / Accept / Accepted	Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback Offer.
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circulars.
Act or Companies Act	The Companies Act, 2013, as amended including the rules and regulations made thereunder.
Additional Equity Shares or Additional Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholders not exceeding the Equity Shares held by such Eligible Shareholder as on the Record Date.
Articles / AOA/ Articles of Association	Articles of Association of the Company, as amended from time to time
Board or Board of Directors	Board of Directors of the Company (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof).
Board Meeting	Meeting of the Board of Directors of the Company held on September 21, 2022 approving the Buyback.
BOI	Body of Individuals
BSE	BSE Limited
Buyback /Buyback Offer/ Offer	Offer for buy back of upto 6,00,000 (Six Lakh Only) Equity Shares at a price of ₹ 585/- (Rupees Five Hundred And Eighty Five only) per Equity Share, payable in cash, from the Eligible Shareholders on a proportionate basis through the Tender Offer route in terms of the Buyback Regulations read

Term	Description
	with SEBI Circulars for an aggregate amount not exceeding ₹ 35,10,00,000 (Rupees Thirty Five Crore Ten Lakh Only).
Buyback Closing Date	[●], [●], 2022 being the last date up to which the tendering of Equity Shares by Eligible Shareholders will be allowed.
Buyback Committee / Share Buyback Committee / Committee	The Buy Back Committee of the Board is constituted and authorized for the purposes of the Buy Back by a resolution passed by the Board at its meeting held on September 21, 2022. The Buyback Committee comprises of Mr. Perumal Sundararajan, Managing Director, Mrs. Latha Sundararajan , Executive Director and Mr. Vijayakumar Balaji, Chief Financial Officer.
Buyback Opening Date	[●], [●], 2022, being the date from which the tendering of Equity Shares by Eligible Shareholders will be allowed.
Buyback Entitlement/ Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio / percentage of Buyback applicable to such Shareholder.
Buyback Period	The period between the date of board resolution authorizing the Buyback of the Equity Shares of the Company, till the date on which the payment of consideration to Eligible Shareholders who have accepted the Buyback offer will be made.
Buyback Price or Offer Price	Price at which Equity Shares will be bought back from the Eligible Shareholders i.e. ₹ 585/- (Rupees Five Hundred and Eighty Five Only) per Equity Share, payable in cash.
Buyback Size/ Offer Size	Number of Equity Shares proposed to be bought back i.e. upto 6,00,000 (Six Lakh Only) fully paid-up Equity Shares multiplied by the Buyback Price i.e. a price of ₹ 585/- (Rupees Five Hundred and Eighty Five Only) per Equity Share aggregating upto ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only). The Buyback Size excludes Transaction Costs.
Buyback Regulations/ SEBI Buyback Regulations	The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 including any amendments, statutory modifications or re-enactments thereof, for the time being in force and the SEBI Circulars.
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act or Act	Companies Act, 2013, as amended and applicable rules thereunder.
“Company” or “Our Company” or “we” or “us” or “our”	S.P. Apparels Limited, unless the context states otherwise.
Company’s Broker	Motilal Oswal Financial Services Limited
Company’s Demat Account	A demat account of the Company wherein demat shares bought back in the Buyback would be transferred
Compliance Officer	Ms. K. Vinodhini
Depositories	NSDL and CDSL
Designated Stock Exchange	The designated stock exchange for the Buyback is BSE Limited.
DIN	Director Identification Number
DP	Depository Participant
Director	Director(s) of the Company
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated September 30, 2022 filed with SEBI containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations.
Eligible Shareholders/ Eligible Person/ Eligible Sellers	Person(s) eligible to participate in the Buyback Offer and would mean all equity shareholders/ beneficial owner(s) of Equity Shares of the Company as on Record Date i.e. Friday, October 7, 2022 and excludes Equity Shareholders/ Beneficial Owners of the Equity Shares who are not permitted under applicable law to tender Equity Shares in the Buyback.
Equity Shares/ Shares	Fully paid-up equity shares of the Company each having a face value of ₹10 (Rupee Ten Only).
Escrow Account	The Escrow Account titled “S.P. Apparels Limited Buy Back Offer 2022 - Escrow Account” opened with the Escrow Agent in terms of the Escrow Agreement.
Escrow Agent	State Bank of India
Escrow Agreement	The Escrow Agreement dated September 21, 2022 entered into between the Company, the Manager to the Buyback and the Escrow Agent.
Escrow Amount	An amount determined in accordance with the Regulations 9(xi) of Buyback Regulations.

Term	Description
FCNR account	Foreign Currency Non-Resident Account
FEMA	Foreign Exchange Management Act, 1999, as amended including the regulations, circulars, directions and notifications issued thereunder.
FIIs	Foreign Institutional Investors means an institution who is registered under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 10995, as amended.
FPI(s)	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended.
General Category	Eligible Shareholders other than the Small Shareholders
IT Act/ Income Tax Act	Income-tax Act, 1961, (including any statutory modifications or re-enactment thereof).
Letter of Offer/ LOF	The letter of offer dated September 30, 2022, to be filed with SEBI containing disclosures in relation to the Buyback as specified in Schedule III of the Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer.
LODR Regulations/ SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
Manager/ Manager to the Buyback /Manager to the Offer	Motilal Oswal Investment Advisors Limited
Memorandum of Association/ MOA	Memorandum of Association of the Company, as amended from time to time
N.A.	Not Applicable
Non-Resident Indians	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000.
Non-Resident Shareholders	Includes Non-resident Indians (NRI), Foreign Institutional Investors (FII) and Foreign Portfolio Investors (FPI) and erstwhile Overseas Corporate Bodies (OCB) and Foreign Nationals.
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent Account Number
Promoters	Mr. Perumal Sundararajan and Mrs. Sundararajan Latha
Promoter and Promoter Group	Promoter and promoter group as have been disclosed under the filings made by the Company under the SEBI Listing Regulations and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Public Announcement/ PA	The public announcement, made in accordance with the Buyback Regulations, dated September 22, 2022 and published on September 23, 2022 in all editions of the Business Standard (English national daily), Business Standard (Hindi national daily) and in Coimbatore edition of Malai Malar, a Tamil daily newspaper (Tamil being the regional language at the place where the registered office of the Company is situated), each with wide circulation.
Physical Form	Tender form for Eligible Shareholders holding Physical Shares.
Physical Shares	Equity Share(s) of the Company in physical form.
RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the Buyback Entitlement and the names of the Eligible Shareholders to whom the Letter of Offer and Tender Form will be sent, and who are eligible to participate in the proposed Buyback offer in accordance with the Buyback Regulations. The Record Date for the Buyback Offer is Friday, October 7, 2022.
Registrar to the Buyback/ Registrar	Link Intime India Private Limited
ROC	Registrar of Companies, Coimbatore at Tamil Nādu
SEBI	Securities and Exchange Board of India
SEBI Circulars	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular bearing number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and circular no. SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, and such other circulars or notifications, as may be applicable, including any amendments or statutory modifications for the time being in force.

Term	Description
Seller Member/ Seller Broker	A stockbroker (who is a member of the BSE) of an Eligible Shareholder, through whom the Eligible Shareholder wants to participate in the Buyback.
Shareholders/ Equity Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Small Shareholder	'Small Shareholder' means a shareholder of the Company, who holds shares whose market value, on the basis of closing price of shares, on the recognized stock exchange in which highest trading volume in respect of such security, as on Record Date (i.e. Friday, October 7, 2022), is not more than ₹ 200,000/- (Rupees Two Lakh Only), as defined in Regulation 2(i)(n) of Buyback Regulations.
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
Tender Form/ Offer Form	The form of acceptance-cum-acknowledgment (for Eligible Shareholders holding Equity Shares in dematerialised form) / the form of acceptance-cum-acknowledgment (for Eligible Shareholders holding Equity Shares in physical form) with share transfer form (i.e. form SH-4) to be filled in by the Eligible Shareholders to participate in the Buyback
Tender Offer	Method of Buyback as defined in Regulation 2(i)(q) of the Buyback Regulations.
Tendering Period/ Offer Period	Period of 10 (Ten) Working Days from the date of opening of the Buyback Offer until its closure (both days inclusive).
Transaction Costs	Transaction cost incurred or to be incurred for the Buyback viz. brokerage, turnover charges, applicable taxes such as buyback tax, securities transaction tax, goods and services tax, stamp duty, etc. expenses incurred or to be incurred for the Buyback like filing fees, advisor/legal fees, Public Announcement expenses, printing and dispatch expenses and other incidental and related expenses etc.
TRS	Transaction Registration Slip generated by the exchange bidding system.
U.S. or U.S.A. or USA	United States/ United States of America
Working Day	Working day shall have the meaning ascribed to it under the Buyback Regulations.

3. DISCLAIMER CLAUSE

As required, a copy of this Draft Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of this Draft Letter of Offer to SEBI should not, in any way, be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet its Buyback commitments or for the correctness of the statements made or opinions expressed in this Draft Letter of Offer. The Manager to the Buyback, Motilal Oswal Investment Advisors Limited, has certified that the disclosures made in this Draft Letter of Offer are generally adequate and are in conformity with the provisions of the Companies Act and the Buyback Regulations. This requirement is to facilitate Eligible Shareholders to take an informed decision in tendering their Equity Shares in the Buyback.

It should also be clearly understood that, while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in this Draft Letter of Offer, the Manager to the Buyback is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback, Motilal Oswal Investment Advisors Limited, has furnished to SEBI a due diligence certificate dated September 30, 2022, in accordance with the Buyback Regulations, which reads as follows:

"We have examined various documents and material papers contained in the annexures to this Draft Letter of Offer relevant to the Buyback, as part of the due diligence carried out by us in connection with the finalization of the Public Announcement published on September 23, 2022 and the Draft Letter of Offer dated September 30, 2022. On the basis of such examination and the discussions with the Company, we hereby state that:

- 1) the Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;
- 2) all the legal requirements connected with the said offer including the SEBI (Buy-Back of Securities) Regulations, 2018, as amended, have been duly complied with;
- 3) the disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the Eligible Shareholders to make a well informed decision in respect of the captioned Buyback;

4) funds used for Buyback shall be as per the provisions of the Companies Act, 2013.”

The filing of the Draft Letter of Offer with SEBI, does not, however, absolve the Company from any liability under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

The Board of Directors/ Promoter/members of the Promoter Group declare and confirm that no information or material likely to have a bearing on the decision of Eligible Shareholders has been suppressed, withheld and/ or incorporated in a manner that would amount to misstatement or misrepresentation and in the event of it transpiring at any point of time it is found that any information or material has been suppressed or withheld, or amounts to a misstatement or misrepresentation, the Promoters and Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.

The Board of Directors/ Promoter/members of the Promoter Group, also declare and confirm that, funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

Disclaimer for U.S. Persons:

The information contained in this Draft Letter of Offer is exclusively intended for persons who are not US Persons as such term is defined in regulations of the US Securities Act of 1933, as amended, and who are not physically present in the United States of America. This Draft Letter of Offer does not in any way constitute an offer to sell or an invitation to sell, any securities in the United States of America or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

Disclaimer for Persons other than those resident in India:

This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. This Draft Letter of Offer does not in any way constitute an offer to sell, or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation would subject the Company or the Manager to the Buyback to any new or additional requirements or registrations. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any applicable legal requirement or restrictions.

Important Notice to all Shareholders:

This Draft Letter of Offer has been prepared for the purposes of compliance with the Buyback Regulations. Accordingly, the information disclosed herein may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of this Draft Letter of Offer. The Letter of Offer shall be dispatched to all Eligible Shareholders (Equity Shareholders as on the Record Date) as per the Buyback Regulations and such other circulars or notifications, as may be applicable. However, receipt of the Letter of Offer by any Equity Shareholder in a jurisdiction in which it would be illegal to make this Tender Offer, or where making this Tender Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Equity Shareholders as an offer being made to them. Potential users of the information contained in the Letter of Offer are requested to inform themselves about and to observe any such restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

Forward Looking Statements:

This Draft Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about the Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which the Company operates.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Currency and Unit of Presentation:

In this Draft Letter of Offer, references to “₹”, INR, Rs. and “Rupees” are to Indian Rupees i.e. the legal currency of India. Further, all data related to financials are given in ₹ million or millions, unless otherwise stated.

4. TEXT OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS

The Buyback through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on September 21, 2022. The extract of the Board resolution is as follows:

Quote

“RESOLVED THAT in accordance with the Article 13 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Act”**), rules framed under the Act, including the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended (**“Buyback Regulations”**), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“Listing Regulations”**), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, as amended and such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India (**“SEBI”**), Registrar of Companies, Coimbatore, Tamil Nadu (the **“ROC”**) and/ or other appropriate authorities or bodies (the **“Appropriate Authorities”**), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the **“Board”** which expression shall include any committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the Board hereby approved the proposal for buyback of up to 6,00,000 (Six Lakh) fully paid up equity shares of the Company, having a face value of ₹ 10 (Rupees Ten Only) each (hereinafter referred to as the **“Equity Shares”** or **“Shares”**) representing 2.34% of the total number of equity shares in the paid-up share capital of the Company, at a price of ₹ 585/- (Rupees Five Hundred and Eighty Five Only) per fully paid up Equity Share (**“Buyback Price”**) payable in cash for a maximum amount not exceeding ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only) (**“Buyback Size”**), representing 5.68% and 5.62% of the fully paid-up equity share capital and free reserves of the Company as per latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively and is within the 10% limit of paid-up share capital and free reserves (including securities premium account) of the Company as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively. The Buyback is proposed to be undertaken from the eligible shareholders of the Company as on the record date i.e. October 07, 2022 (**“Record Date”**) on a proportionate basis, through the Tender Offer route in accordance with the provisions contained Buyback Regulations and the Companies Act, 2013 and rules made thereunder (the **“Buyback”**) (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force).

RESOLVED FURTHER THAT the Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, brokerage, applicable taxes (such as income tax, buyback taxes, securities transaction tax, stamp duty and goods and service tax), advisors’ fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (such expenses referred to as **“Transactions costs”**).

RESOLVED FURTHER THAT in terms of Regulation 6 of the Buyback Regulations, the Company shall buyback Equity Shares from the existing shareholders/beneficial owners including promoters and promoter group of the Company (including members thereof) and persons in control (including persons acting in concert) who holds equity shares of the Company as on Record Date (“**Eligible Shareholders**”), on a proportionate basis under the Tender Offer, provided that 15% (Fifteen Percent) of the number of Equity Shares which the Company proposes to buyback or number of Equity Shares entitled as per the shareholding of small shareholders as defined in the Buyback Regulations (“**Small Shareholders**”) at the Record Date, whichever is higher, shall be reserved for small shareholders, as defined in the Buyback Regulations.

RESOLVED FURTHER THAT the Company shall implement the Buyback using the “Mechanism for Acquisition of Shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with the circulars issued in relation thereto, including circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and circular bearing reference number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 including any further amendments thereof and the Company shall approach the Stock Exchange(s), as may be required, for facilitating the same.

RESOLVED FURTHER THAT the Buyback from the Eligible Shareholders who are persons residents outside India, including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies) and qualified institutional buyers including foreign portfolio investors, shall be subject to such approvals, if any, and to the extent necessary or required under the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the rules and regulations framed thereunder from the concerned authorities including the Reserve Bank of India (“RBI”), and that such approvals shall be required to be taken by such shareholders themselves.

RESOLVED FURTHER THAT the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations and under the Securities Contracts (Regulation) Rules, 1957, as amended.

RESOLVED FURTHER THAT the proposed Buyback be implemented from the existing shareholders including the promoter(s) and promoter group of the Company (as have been disclosed under the shareholding pattern filings made by the Company from time to time under the Listing Regulations and Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations 2011 (“**SEBI Takeover Regulations**”), from its free reserves and/or securities premium account of the Company or such other sources or by such mechanisms as may be permitted by law, and on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.

RESOLVED FURTHER THAT nothing contained hereinabove shall confer any right on the part of any shareholder to offer, or any obligation on the part of the Company or the Board to buyback any shares and/or impair any power of the Company or the Board to terminate any process in relation to such Buyback if so permissible by law.

“RESOLVED THAT approval of the Board be and is hereby accorded for fixing October 07, 2022 as the Record Date for ascertaining the eligibility of the Shareholders to participate in the Buyback of equity shares of the Company.”

RESOLVED FURTHER THAT the draft of the Declaration of Solvency prepared in the prescribed form and supporting affidavit and other documents, placed before the meeting be and are hereby approved and Mr. Perumal Sundararajan, Managing Director and Mrs. Latha Sundararajan, Executive Director of the company be and are hereby authorized to sign the same, for and on behalf of the Board and file the same with the ROC and SEBI in accordance with the applicable laws.

RESOLVED FURTHER THAT a Buyback Committee comprising of Mr. Perumal Sundararajan, Managing Director and Mrs. Latha Sundararajan, Executive Director and Mr. Vijayakumar Balaji Chief, Financial Officer of the Company be and is hereby constituted and the powers of the Board in respect of Buyback be delegated to the Committee (“**Buyback Committee**”) and each member of the Buyback Committee be and is hereby severally authorized to do all such acts, deeds and things as may be necessary, expedient or proper with regard to the implementation of the Buyback, including, but not limited to, the following:

1. The initiating of all necessary actions for preparation and issue of public announcement, draft letter of offer, letter of offer and related documents;
2. The preparation, finalization and filing of public announcement, draft letter of offer, letter of offer, related documents and also the certificates for declaration of solvency and other filings with the SEBI, ROC, the stock exchanges and other appropriate authority(ies), if any;

3. Finalizing the terms of Buyback such as the entitlement ratio, the schedule of activities for Buyback including finalizing the date of opening and closing of Buyback, the timeframe for completion of the Buyback;
4. The appointment of printers, advertisement agency, escrow bank, legal advisors, depository participants, and other advisors, consultants or representatives and settlement of the terms of their appointment including remuneration for all such intermediaries/ agencies/ persons, including by the advisory fees, payment of commission, brokerage, fee, charges etc. and enter into agreements/ letters in respect thereof;
5. Seeking all regulatory approvals required for the Company to implement the Buyback, as applicable;
6. Earmarking and making arrangements for adequate sources of funds for the purpose of the Buyback or arranging for bank guarantees as may be necessary for the Buyback in accordance with applicable law;
7. The opening, operation and closure of cash escrow account and special account in accordance with the escrow agreement to be executed by the Company in this regard;
8. The opening, operation and closure of the demat escrow account in accordance with the escrow agreement to be executed by the Company with the depository participant;
9. To settle all such questions, difficulties or doubts that may arise in relation to the implementation of the Buyback;
10. To make all applications to the appropriate authority(ies) for their requisite approvals including for approvals as may be required from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations framed there under, if any;
11. To sign the documents as may be necessary with regard to the Buyback and use the common seal of the Company on relevant documents required to be executed for the Buyback and to initiate all necessary actions for preparation and issue of various documents and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, ROC, stock exchanges, depositories and/or other appropriate authorities;
12. To decide on designated stock exchange;
13. To deal with stock exchanges (including their clearing corporations), and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the "Mechanism for Acquisition of Shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015, read with the circulars issued in relation thereto, including circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and circular bearing reference number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 including any further amendments thereof;
14. Taking all actions to verify offers and acceptances received, finalize the basis of acceptance;
15. Extinguishment of dematerialized shares and physical destruction of share certificates and certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Board;
16. To do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary, expedient, usual or proper for the implementation of the Buyback; and
17. Sign, execute and deliver such documents as may be necessary or desirable in connection with or incidental to the Buyback;

The Company Secretary shall act as the Secretary to the Buyback Committee.

RESOLVED FURTHER THAT the quorum for a meeting of the Buyback Committee shall be presence of any two members and the Buyback Committee may regulate its own proceedings and meet as often as required, to discharge its functions.

RESOLVED FURTHER THAT the Buyback Committee be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient or proper, to be in the best interest of the shareholders for the implementation of the Buyback, including but not limited to carrying out incidental documentation as also to make applications to the appropriate authorities for their approvals and to initiate all necessary actions for preparation and issue of various documents, opening of accounts including public announcement, letter of offer, extinguishment of share certificates and 'Certificate of Extinguishment' required to be filed in connection with the Buyback on behalf of the Board and such other undertakings, agreements, papers, documents and correspondence as may be necessary for the implementation of the Buyback to the SEBI, RBI, BSE Limited, National Stock Exchange of India Limited, ROC, depositories and/or other authorities.

RESOLVED FURTHER THAT the Buyback Committee shall have the power and authority to delegate all or any of the authorities conferred upon it to any officer(s) and/or representatives of the Company, in order to give effect to the aforesaid resolutions and to revoke and substitute such delegation / sub-delegation of authority from time to time.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect

of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in its absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT in compliance with Buyback Regulations, Motilal Oswal Investment Advisors Limited, Merchant Banker be and are hereby appointed as the Manager to the Buyback and Motilal Oswal Financial Services Limited be and are hereby appointed as the Company Broker for the proposed buyback transaction at such remuneration as mutually agreed with Motilal Oswal Investment Advisors Limited and Motilal Oswal Financial Services Limited respectively.

RESOLVED FURTHER THAT in compliance with Buyback Regulations Link Intime India Private Limited, be appointed as the Registrar for the proposed buyback transaction at such remuneration as mutually agreed and is designated as the investors service centre, as required under Regulation 24(iii) of the Buyback Regulations.

RESOLVED FURTHER THAT in compliance with the Securities and Exchange Board of India (Buyback of Securities) Regulations 2018, BSE Limited be appointed as the Designated Stock Exchange for the proposed buyback transaction.

RESOLVED FURTHER THAT the Board hereby takes on record the report dated 22nd September, 2022 issued by ASA & Associates LLP, Chartered Accountants, the statutory auditors of the Company, as required under clause (xi) of Schedule I of the Buyback Regulations.

RESOLVED FURTHER THAT as required by Clause (x) of Schedule I of the Buyback Regulations, the Board hereby confirms that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion:

1. That immediately following the date of this Board meeting i.e. 21st September, 2022 there will be no grounds on which the Company can be found unable to pay its debts;
2. That as regards the Company's prospects for the year immediately following the date of this Board meeting and having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources, which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting;
3. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act and the Insolvency and Bankruptcy Code, 2016.

RESOLVED FURTHER THAT the Board hereby confirms that:

1. All the equity shares for Buyback are fully paid-up;
2. The Company shall not issue and allot any Equity Shares or other specified securities including by way of bonus or convert any outstanding employee stock options /outstanding instruments into Equity Shares from the date of the Board Meeting, till the date of payment of consideration to shareholders who have accepted the Buyback;
3. The Company shall not raise further capital for a period of one year from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.;
4. The Company has not undertaken a buyback of any of its securities during the period of one year immediately preceding the date of the Board Meeting;
5. The Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
6. The Company shall not Buyback its shares from any person through negotiated deal whether on or off the stock exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
7. The Buyback Size i.e. ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh only) does not exceed 10% of the aggregate of the fully paid-up Equity Share capital and free reserves of the Company as per latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022;

8. The Company is in compliance with the provisions of Sections 92, 123, 127 and 129 of the Act.
9. The Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI or public announcement of the Buyback is made;
10. The Company shall not make any offer of buyback within a period of one year reckoned from the expiry of the Buyback Period i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
11. There is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Act;
12. The buyback shall be completed within a period of one (1) year from the date of passing of this Board resolution approving the buyback;
13. As required under Section 68(2)(d) of the Act and the Buyback Regulations, the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback, based on the standalone and consolidated financial statements of the Company;
14. There are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.
15. The Company shall not directly or indirectly facilitate the Buyback:
 - a. through any subsidiary company including its own subsidiary companies, if any; or
 - b. through any investment company or group of investment companies.
16. The Equity Shares bought back by the Company will be extinguished and physically destroyed in the manner prescribed under the Buyback Regulations and the Act within 7 (seven) days of the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
17. The consideration for the Buyback shall be paid only by way of cash;
18. That the maximum number of shares proposed to be purchased under the Buyback shall not exceed 25% of the total number of Equity Shares in the fully paid-up Equity Share capital of the Company as on the date this Board Meeting;
19. The Company shall not allow buy back of its shares unless the consequent reduction of its share capital is affected;
20. The Company shall not utilise any funds borrowed from banks and financial institutions in fulfilling its obligation under the Buyback;
21. The Company shall not buy-back its shares or other specified securities so as to delist its shares or other specified securities from the stock exchange as per Regulation 4(v) of Buyback Regulations;
22. As per Regulation 24(i)(e) of the Buyback Regulations, the Promoters and members of the promoter group, and their associates be advised that they shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoters and members of the promoter group) from the date of this resolution till the closing of the Buyback offer;
23. The statements contained in all the relevant documents in relation to the Buyback shall be true, material and factual and shall not contain any mis-statements or misleading information.
24. The Company shall comply with the statutory and regulatory timelines in respect of the buyback in such manner as prescribed under the Act and/or the Buyback Regulations and any other applicable laws;
25. The Company shall transfer from its free reserves or securities premium account, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve account;

“RESOLVED FURTHER THAT the Company shall maintain a register of shares bought back wherein details of equity shares bought back, consideration paid for the equity shares bought back, date of cancellation of equity shares and date of extinguishing and physically destroying of equity shares and such other particulars as may be prescribed, shall be entered and that the Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said register.”

“RESOLVED FURTHER THAT Ms. K. Vinodhini Company Secretary, be and is hereby severally authorized to file necessary e-forms with the Ministry of Corporate Affairs / ROC, SEBI, stock exchanges and any other statutory authority and to do all such acts, deeds and things as may be necessary to give effect to the above resolutions.”

Compliance Officer for the purpose of Buyback

RESOLVED FURTHER THAT in terms of the Buyback Regulations, Ms. K. Vinodhini Company Secretary and Compliance Officer, be and is hereby appointed as the Compliance Officer for the Buyback.

Unquote

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of Regulation 7(i) of the Buyback Regulations, the Company has made a Public Announcement dated September 22, 2022 for the Buyback of Equity Shares, which was published on September 23, 2022 in all editions of the Business Standard (English national daily), Business Standard (Hindi national daily) and in Coimbatore edition of Malai Malar, a Tamil daily newspaper (Tamil being the regional language at the place where the registered office of the Company is situated), each with wide circulation. The Public Announcement dated September 22, 2022 was published September 23, 2022, within 2 (two) working days from the date of passing the board resolution by the Board of Directors approving the Buyback vide their resolution dated September 21, 2022. A copy of the Public Announcement is available on the Company's website (www.spapparels.com), and is expected to be available on the website of SEBI (www.sebi.gov.in) during the Buyback period and on the website of Stock Exchanges i.e. www.bseindia.com and www.nseindia.com. The Company will publish further notices or corrigenda, if any, in the abovementioned newspapers.

6. DETAILS OF THE BUYBACK

- a. The Board of Directors of S.P. Apparels Limited (the "Company") (the Board of Directors of the Company hereinafter referred to as the "Board" which term shall be deemed to include any committee constituted by the board to exercise its power), at its meeting held on September 21, 2022 (the "Board Meeting"), pursuant to Article 13 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and all other applicable provisions, if any, of the Companies Act, 2013 as amended (the "Act"), rules framed under the act, including the Companies (Share Capital and Debentures) Rules, 2014 (the "Share Capital Rules"), including any amendments, statutory modifications or re-enactments thereof, for the time being in force and in compliance of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended ("Buyback Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, ("Listing Regulations"), the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2017, as amended and such other approvals, permissions and sanctions as may be necessary and subject to any modifications and conditions, if any, as may be prescribed by the Securities and Exchange Board of India ("SEBI"), Registrar of Companies, Tamil Nadu at Coimbatore (the "ROC") and/ or other appropriate authorities or bodies (the "Appropriate Authorities"), as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to by the Board, hereby approved the proposal for buyback of up to 6,00,000 (Six Lakh Only) fully paid up equity shares of the Company having a face value of ₹ 10 (Rupee Ten Only) each (hereinafter referred to as the "Equity Shares" or "Shares") at a price of ₹ 585 (Rupees Five Hundred and Eighty Five Only) per fully paid up Equity Share ("Buyback Price") payable in cash for a maximum amount not exceeding ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only) ("Buyback Size"), representing 5.68% and 5.62% of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively and is within the 10% limit of paid-up equity share capital and free reserves (including securities premium account) of the Company as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively. The Buyback is proposed to be undertaken from the eligible shareholders of the Company as on the record date i.e. October 7, 2022 ("Record Date") on a proportionate basis, through the Tender Offer route accordance with the provisions contained in the Buyback Regulations and the Companies Act, 2013 and rules made thereunder (the "Buyback") (including any statutory modification(s) or re-enactment of the Act or Buy-back Regulations, for the time being in force)
- b. The Buyback Size does not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the Securities and Exchange Board of India, brokerage, applicable taxes (such as income tax, buyback taxes, securities transaction tax, stamp duty and goods and service tax), advisors' fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses. (such expenses referred to as "**Transaction costs**").
- c. Buyback Size represents 5.68% and 5.62% of the aggregate of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 respectively, and is within the statutory limit of 10% of the aggregate of the fully paid-up Equity Share capital and free reserves of the Company, based on both latest audited standalone and consolidated financial statements of the Company, under the Board of Directors approval route as per the provisions of the Companies Act and the Buyback Regulations. Further, the total number of Equity Shares proposed to be bought back by the Company is upto 6,00,000 Equity Shares which represents 2.34% of the total number of Equity Shares in the paid-up Share Capital of the Company

as on March 31, 2022, the same is within the limit of 25% of the total paid-up Equity Share capital as per the provisions of the Act and the Buyback Regulations.

- d. The Equity Shares of the Company are listed on the NSE and BSE (hereinafter together referred to as the “Stock Exchanges”).
- e. The Buyback is in accordance with Section 68 and other applicable provisions of the Act, Buyback Regulations, Listing Regulations and Article 13 of the Articles of Association of the Company. The Buyback will be undertaken on a proportionate basis from the equity shareholders of the Company as on the Record Date (“Eligible Shareholders”) through the tender offer process prescribed under Regulation 4(iv)(a) and 6 of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, implemented by the Company using the “Mechanism for Acquisition of Shares through Stock Exchange” as specified by SEBI in the circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015; circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 09, 2016; and circular bearing reference number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 (“SEBI Circulars”). The Buyback is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority including SEBI and the Stock Exchanges. For the purpose of this Buyback, BSE Limited (hereinafter referred to as “BSE”) will be the designated stock exchange (the “Designated Stock Exchange”) and the Company will request BSE to provide a separate acquisition window (“Acquisition Window”) to facilitate the Buyback.
- f. The Buyback is subject to other approvals, permissions and exemptions as may be required from time to time from any statutory and/ or regulatory authority including SEBI and the Stock Exchanges.
- g. The Buyback from Eligible Shareholders who are persons resident outside India, including the foreign portfolio investors, erstwhile overseas corporate bodies and non-resident Indians, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the RBI under the Foreign Exchange Management Act, 1999, as amended and the rules, regulations framed thereunder, if any and such approvals shall be required to be taken by such non-resident shareholders.
- h. The shareholding of the promoter and promoter group of the Company (the “**Promoter and Promoter Group**”) as on the date of the Board Meeting i.e. September 21, 2022, date of the Public announcement i.e. September 22, 2022 and date of the publication of Public Announcement i.e. September 23, 2022 is given below:

Sr. No.	Name of Shareholder	Category	Number of Equity Shares held	% of shareholding
1.	Mr. Perumal Sundararajan	Promoter	1,27,84,273	49.76
2.	Ms. Sundararajan Latha	Promoter	30,24,509	11.77
3.	Ms. Sundararajan Shantha	Promoter Group	11,000	0.04
4.	Mr. Sundararajan Chenduran	Promoter Group	28,852	0.11
Total			1,58,48,634	61.69

- i. Details of the shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Board Meeting i.e. September 21, 2022, date of the Public announcement i.e. September 22, 2022 and date of the publication of Public Announcement i.e. September 23, 2022 is given below:

Sr. No.	Name of Directors/ Key Managerial Personnel	Designation	Number of Equity Shares held	% of shareholding
1.	Mr. Perumal Sundararajan	Chairman & Managing Director	1,27,84,273	49.76
2.	Mrs. Sundararajan Latha	Executive Director	30,24,509	11.77
3.	Mrs. Sundararajan Shantha	Joint Managing Director	11,000	0.04
4.	Mr. Sundararajan Chenduran	Joint Managing Director	28,852	0.11

In terms of the Buyback Regulations, under the Tender Offer route, promoters, members of the promoter group and persons in control of the Company have the option to participate in a buyback. In this regard, the Promoter and members of the Promoter Group of the Company, vide their respective letters dated September 21, 2022, have expressed their intention to participate in the Buyback and tender Equity Shares based to the extent of their entitlement. The extent of their participation in the Buyback has been detailed in Paragraph 6 of this DLOF.

- j. The Buyback will not result in any benefit to the Promoter, members of the promoter group, or any directors or key managerial personnel of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the equity share capital of the Company post Buyback. The Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the Listing Regulations. Any change in voting rights of the Promoter and members of the Promoter and Promoter Group of the Company pursuant to completion of Buyback will not result in any change in control over the Company.
- k. The Promoter and Promoter Group of the Company hold 61.69% of Equity Shares in the total outstanding equity share capital of the Company as on the date of this DLOF. For details with respect to Promoter and Promoter Group shareholding post Buyback please refer Clause 13.g of this DLOF. Post Buyback the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the SEBI Listing Regulations, and the provisions contained under Rule 19 (2) (b) and Rule 19A of the Securities Contract (Regulation) Rules, 1957 read with SEBI circular dated February 22, 2018.

7. AUTHORITY FOR THE BUYBACK

- a) The Buyback is being undertaken by the Company in accordance with Article 13 of the Articles of Association, the provisions of section 68, 69, 70 and other applicable provisions, if any, of the Companies Act, the SEBI Listing Regulations and the Buyback Regulations. The Buyback is subject to such other approvals, consents, exemptions and permissions, as may be necessary, from time to time required from statutory, regulatory or governmental authorities under applicable law, including but not limited to SEBI and Stock Exchanges.
- b) The Board at its meeting dated September 21, 2022, passed a resolution approving the Buyback of Equity Shares of the Company.

8. NECESSITY FOR THE BUYBACK

The Company has been generating significant amounts of cash on an ongoing basis. The current Buyback proposal is in line with the Company's capital allocation practices of returning excess cash to shareholders, thereby increasing shareholder value in the longer term, and improving the Return on Equity. The Company believes that the Buyback is being undertaken by the Company after taking into account the operational and strategic cash requirements of the Company in the medium term and for returning surplus funds to the shareholders in an effective and efficient manner. The Buyback is being undertaken for the following reasons:

- a) The Buyback will help the Company to distribute surplus cash to its equity shareholders thereby, enhancing the overall return to shareholders;
- b) The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of up to 15% of the Equity Shares, which the Company proposes to buyback, for small shareholders or the actual number of Equity Shares entitled as per the shareholding of small shareholders on the Record Date, whichever is higher. The Company believes that this reservation for small shareholders would benefit a significant number of the Company's public shareholders, who would be classified as "Small Shareholders";
- c) The Buyback is generally expected to improve return on equity through distribution of cash and improve earnings per share by reduction in the equity base of the Company, thereby leading to long term increase in shareholders' value; and
- d) The Buyback gives an option to the Eligible Shareholders to either (A) participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback, or (B) not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- a) The Buyback is not likely to cause any material impact on the profitability/ earnings of the Company except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. Assuming that the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible

Shareholders up to their Buyback Entitlement, the funds deployed by the Company towards the Buyback would be upto ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only), excluding the Transaction Costs.

- b) The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is expected to contribute to the overall enhancement of the shareholder value and result in an increase in the return on equity of the Company.
- c) In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group have the option to participate in the Buyback. In this regard, the Promoter and members of the Promoter Group have expressed their intention vide their respective letters dated September 21, 2022 to participate in the Buyback and tender Equity Shares to the extent of their entitlement.

Details of the date and price of acquisition/transfer of the Equity Shares of the Promoter and members of the Promoter Group of the Company who intends to tender their Equity Shares in the Buyback are set out below:

i. Mr. Perumal Sundararajan

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition/Sale Price Per Share (₹)*	Net Acquisition/Sale Consideration Share (₹)	Consideration (Cash, other than cash)
18-Nov-05	Subscription to Memorandum	39,75,000	10	10.00	3,97,50,000.00	Cash
27-Mar-06	Preferential Allotment	80,00,000	10	10.00	8,00,00,000.00	Conversion
18-Sep-09	Transfer	5,000	10	10.00	50,000.00	Cash
11-Aug-16	Market Purchase	4,587	10	319.95	14,67,610.65	Cash
05-Dec-16	Market Purchase	39,379	10	334.75	1,31,82,120.25	Cash
06-Dec-16	Market Purchase	6,838	10	342.27	23,40,442.26	Cash
07-Dec-16	Market Purchase	615	10	337.00	2,07,255.00	Cash
08-Dec-16	Market Purchase	10,500	10	353.26	37,09,230.00	Cash
09-Dec-16	Market Purchase	68,000	10	349.93	2,37,95,240.00	Cash
12-Dec-16	Market Purchase	81	10	345.00	27,945.00	Cash
21-Dec-16	Market Purchase	845	10	416.51	3,51,950.95	Cash
28-Apr-17	Market Purchase	266	10	410.26	1,09,129.16	Cash
02-May-17	Market Purchase	172	10	406.36	69,893.92	Cash
03-May-17	Market Purchase	4,067	10	399.85	16,26,189.95	Cash
04-May-17	Market Purchase	2,215	10	396.46	8,78,158.90	Cash
05-May-17	Market Purchase	12,480	10	346.74	43,27,315.20	Cash
02-Feb-18	Market Purchase	27,643	10	351.72	97,22,595.96	Cash
05-Feb-18	Market Purchase	15,120	10	338.34	51,15,700.80	Cash
23-Feb-18	Market Purchase	14,563	10	336.31	48,97,682.53	Cash
26-Feb-18	Market Purchase	311	10	313.16	97,392.76	Cash
06-Apr-18	Preferential Allotment	5,25,000	10	382.02	20,05,60,500.00	Cash
06-Apr-18	Market Purchase	66	10	348.52	23,002.32	Cash
10-May-18	Market Purchase	5,940	10	347.79	20,65,872.60	Cash
23-Jul-18	Market Purchase	20	10	320.55	6,411.00	Cash
24-Jul-18	Market Purchase	2,633	10	325.06	8,55,882.98	Cash
25-Jul-18	Market Purchase	319	10	326.53	1,04,163.07	Cash
26-Jul-18	Market Purchase	10,193	10	341.51	34,81,011.43	Cash
27-Jul-18	Market Purchase	1,378	10	328.16	4,52,204.48	Cash
01-Aug-18	Market Purchase	605	10	331.24	2,00,400.20	Cash
02-Aug-18	Market Purchase	60	10	337.06	20,223.60	Cash
03-Aug-18	Market Purchase	1,420	10	324.90	4,61,358.00	Cash
17-Aug-18	Market Purchase	850	10	329.31	2,79,913.50	Cash
20-Aug-18	Market Purchase	1,190	10	303.15	3,60,748.50	Cash
30-Aug-18	Market Purchase	565	10	310.64	1,75,511.60	Cash
31-Aug-18	Market Purchase	221	10	317.25	70,112.25	Cash
03-Sep-18	Market Purchase	1,410	10	309.13	4,35,873.30	Cash
04-Sep-18	Market Purchase	20	10	309.03	6,180.60	Cash
05-Sep-18	Market Purchase	1,310	10	299.69	3,92,593.90	Cash
07-Sep-18	Market Purchase	680	10	304.14	2,06,815.20	Cash
10-Sep-18	Market Purchase	1,165	10	301.80	3,51,597.00	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition/Sale Price Per Share (₹)*	Net Acquisition/Sale Consideration Share (₹)	Consideration (Cash, other than cash)
11-Sep-18	Market Purchase	190	10	301.77	57,336.30	Cash
12-Sep-18	Market Purchase	850	10	269.04	2,28,684.00	Cash
28-Sep-18	Market Purchase	7,520	10	280.20	21,07,104.00	Cash
01-Oct-18	Market Purchase	8,605	10	276.75	23,81,433.75	Cash
03-Oct-18	Market Purchase	15,418	10	266.81	41,13,676.58	Cash
04-Oct-18	Market Purchase	2,338	10	269.34	6,29,716.92	Cash
05-Oct-18	Market Purchase	2,165	10	223.40	4,83,661.00	Cash
25-Jan-19	Market Purchase	1,280	10	218.13	2,79,206.40	Cash
28-Jan-19	Market Purchase	1,470	10	209.34	3,07,729.80	Cash
29-Jan-19	Market Purchase	490	10	220.24	1,07,917.60	Cash
30-Jan-19	Market Purchase	380	10	236.74	89,961.20	Cash
31-Jan-19	Market Purchase	340	10	237.58	80,777.20	Cash
01-Feb-19	Market Purchase	45	10	249.03	11,206.35	Cash
26-Feb-19	Market Purchase	225	10	249.36	56,106.00	Cash
27-Feb-19	Market Purchase	210	10	249.78	52,453.08	Cash
28-Feb-19	Market Purchase	20	10	252.70	5,054.00	Cash
Total Current Holding		1,27,84,273				

ii. **Mrs. Sundararajan Latha**

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition /Sale Price Per Share (₹)*	Net Acquisition / Sale Consideration Share (₹)	Consideration (Cash, other than cash)
18-Nov-05	Subscription to Memorandum	10,00,000.00	10	10.00	1,00,00,000.00	Cash
27-Mar-06	Preferential Allotment	20,00,000.00	10	10.00	2,00,00,000.00	Conversion
28-Apr-17	Market Purchase	380.00	10	416.51	1,58,273.80	Cash
2-May-17	Market Purchase	87.00	10	411.14	35,769.18	Cash
3-May-17	Market Purchase	50.00	10	406.75	20,337.50	Cash
5-May-17	Market Purchase	26.00	10	394.65	10,260.90	Cash
12-Jul-17	Market Purchase	10.00	10	456.50	4,565.00	Cash
30-Aug-17	Market Purchase	261.00	10	421.83	1,10,097.63	Cash
31-Aug-17	Market Purchase	326.00	10	418.48	1,36,424.48	Cash
1-Sep-17	Market Purchase	1,009.00	10	419.20	4,22,972.80	Cash
4-Sep-17	Market Purchase	5,358.00	10	409.25	21,92,761.50	Cash
5-Sep-17	Market Purchase	291.00	10	411.23	1,19,667.93	Cash
6-Sep-17	Market Purchase	114.00	10	408.54	46,573.56	Cash
11-Sep-17	Market Purchase	192.00	10	404.15	77,596.80	Cash
23-Feb-18	Market Purchase	99.00	10	332.91	32,958.09	Cash
27-Feb-18	Market Purchase	7,278.00	10	336.38	24,48,173.64	Cash
23-Mar-18	Market Purchase	130.00	10	315.63	41,031.90	Cash
24-Sep-18	Market Purchase	988.00	10	281.36	2,77,983.68	Cash
25-Sep-18	Market Purchase	2,265.00	10	280.10	6,34,426.50	Cash
26-Sep-18	Market Purchase	3,370.00	10	278.30	9,37,871.00	Cash
27-Sep-18	Market Purchase	2,275.00	10	273.98	6,23,304.50	Cash
Total Current Holding		30,24,509.00				

iii. **Mr. Sundararajan Chenduran**

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition /Sale Price Per Share (₹)*	Net Acquisition / Sale Consideration Share (₹)	Consideration (Cash, other than cash)
17-Sep-14	Gift Transfer	5,000	10	10.00	50,000.00	Gift
28-Apr-17	Market Purchase	175	10	415.59	72,728.25	Cash
5-May-17	Market Purchase	5	10	417.80	2,089.00	Cash

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition /Sale Price Per Share (₹)*	Net Acquisition / Sale Consideration Share (₹)	Consideration (Cash, other than cash)
8-May-17	Market Purchase	789	10	398.65	3,14,534.85	Cash
9-May-17	Market Purchase	843	10	400.67	3,37,764.81	Cash
10-May-17	Market Purchase	223	10	402.98	89,864.30	Cash
16-Aug-17	Gift Transfer	10,000	10	10.00	1,00,000.00	Gift
31-Aug-17	Market Purchase	58	10	419.49	24,330.20	Cash
1-Sep-17	Market Purchase	40	10	418.20	16,728.05	Cash
4-Sep-17	Market Purchase	44	10	416.03	18,305.24	Cash
18-Sep-17	Market Purchase	1,134	10	406.89	4,61,409.01	Cash
19-Sep-17	Market Purchase	61	10	406.32	24,785.39	Cash
25-Sep-17	Market Purchase	123	10	383.66	47,190.39	Cash
26-Sep-17	Market Purchase	84	10	383.96	32,252.72	Cash
2-Feb-18	Market Purchase	410	10	343.61	1,40,878.33	Cash
5-Feb-18	Market Purchase	580	10	357.46	2,07,324.66	Cash
26-Mar-18	Market Purchase	687	10	308.60	2,12,010.56	Cash
27-Mar-18	Market Purchase	277	10	321.38	89,022.40	Cash
4-Apr-18	Market Purchase	28	10	346.61	9,704.94	Cash
19-Apr-18	Market Purchase	87	10	360.37	31,351.94	Cash
24-Apr-18	Market Purchase	132	10	363.54	47,987.67	Cash
4-May-18	Market Purchase	55	10	355.76	19,567.05	Cash
7-May-18	Market Purchase	30	10	350.45	10,513.58	Cash
23-Jul-18	Market Purchase	1,734	10	277.80	4,81,712.72	Cash
21-Sep-18	Market Purchase	1	10	312.25	312.25	Cash
9-Oct-18	Market Purchase	195	10	240.32	46,862.77	Cash
10-Oct-18	Market Purchase	1,865	10	240.83	4,49,145.68	Cash
11-Oct-18	Market Purchase	1,049	10	238.12	2,49,792.64	Cash
15-Oct-18	Market Purchase	1	10	270.00	270.00	Cash
29-Oct-18	Market Purchase	2	10	280.00	560.00	Cash
27-Dec-19	Market Purchase	415	10	210.00	87,150.00	Cash
21-Feb-20	Market Purchase	110	10	169.10	18,601.00	Cash
28-Feb-20	Market Purchase	2,330	10	165.05	3,84,566.50	Cash
6-Mar-20	Market Purchase	15	10	134.10	2,011.50	Cash
20-Mar-20	Market Purchase	270	10	81.50	22,005.00	Cash
Total Current Holding		28,852				

iv. Ms. Sundararajan Shantha

Date of Transaction	Nature of transaction	Number of Equity Shares	Face Value (₹)	Acquisition /Sale Price Per Share (₹)*	Net Acquisition / Sale Consideration Share (₹)	Consideration (Cash, other than cash)
18-Nov-05	Subscription to Memorandum	5,000	10.00	10.00	50,000.00	Cash
11-Sep-17	Market Purchase	6,026	10.00	390.40	23,52,550.40	Cash
19-Oct-18	Market Sale	26	10.00	281.75	7,325.50	Cash
Total Current Holding		11,000				

- d) Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoter and Promoter Group after the completion of the Buyback shall become [●]% of the post-Buyback total paid-up equity share capital of the Company from 61.69% of the pre-Buyback total paid-up equity share capital of the Company (as on the date of the Public Announcement), and the aggregate shareholding of the public in the Company shall become [●]% of the post-Buyback total paid-up equity share capital of the Company from 38.31% of the pre-Buyback total paid-up equity share capital of the Company.
- e) The Buyback shall not result in a change in control or otherwise affect the existing management structure of the Company.
- f) Consequent to the Buyback and based on the number of Equity Shares bought back from the Eligible Non-Resident Shareholders, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, the

shareholding pattern of the Company would undergo a change. The FII / FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buyback.

- g) The debt-equity ratio after the completion of the Buyback on standalone as well as consolidated basis will be within the permissible limit of 2:1 prescribed under Section 68(2)(d) of Companies Act and Regulation 4(ii) of the Buyback Regulations, even if the response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders.
- h) The Company shall not raise further capital for a period of one year from the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback, except in discharge of its subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.
- i) As per Regulation 24 (i) (b) of the Buyback Regulations, the Company shall not issue and allot any equity shares or specified securities (including by way of bonus or convert any outstanding ESOPs/outstanding instruments into Equity Shares) from the date of resolution passed by the Board approving the Buyback till the expiry of the Buyback period, i.e., the date on which the payment of consideration is made to the shareholders who have accepted the Buyback;
- j) The Promoter and members of promoter group, and their associates be advised that they shall not deal in the Equity Shares or other specified securities of the Company either through the stock exchanges or off-market transactions (including inter-se transfer of Equity Shares among the promoter and members of promoter group) from the date of Board resolution till the closing of the Buyback offer.
- k) Salient financial parameters pursuant to the Buyback based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2022, of the Company are as under:

Particulars	Standalone		Consolidated	
	Pre-Buyback (as on March 31, 2022)	Post-Buyback [#]	Pre-Buyback (as on March 31, 2022)	Post-Buyback [#]
Net worth (₹ in lakhs) ⁽¹⁾	6,301.25	5,950.25	6,312.47	5,961.47
Return on Net worth ((%) ⁽²⁾	0.13	0.14	0.13	0.14
Earnings per Equity Share				
-Basic (₹) ⁽³⁾	32.38	33.16	32.96	33.75
-Diluted (₹) ⁽⁴⁾	32.38	33.16	32.96	33.75
Book value per Equity Share (₹) ⁽⁵⁾	245.26	237.13	245.69	232.03
P/E ⁽⁶⁾	11.81	11.53	11.60	11.33
Total Debt / Equity ratio ⁽⁷⁾	0.32	0.34	0.37	0.44

[#]The post-Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance), without factoring in tax on buy back of shares and any impact in the statement of profit & loss and other transaction costs. Assuming full acceptance of Equity Shares in the Buyback offer in the ratio of buyback.

Notes:

1. Net Worth consists of Equity Share Capital + Other Equity.
2. Return on Net Worth = Profit After Tax/ Average Net worth
3. Basic Earnings per Share = Profit After Tax/ Weighted average number of shares outstanding for the period
4. Diluted Earnings per Share = Profit After Tax/ Weighted average number of diluted shares outstanding for the period
5. Book value per Share = Equity share Capital +Other equity/No. of Equity Shares at the end of the period.
6. P/E= Market price/Earnings per share. (Market price per Equity Share is taken as the closing price of equity share on NSE as at March 31, 2022).
7. Total Debt-Equity Ratio = (Long Term Borrowings + Short term Borrowings + Current Maturities of Long Term Borrowings + Long term maturities of lease obligation + Current maturities of finance lease obligations)/Net Worth
8. Earnings per Share and Book Value per Share post buy back has been computed after reducing proposed equity shares to be bought back from
9. weighted average outstanding shares for the financial year ended on March 31, 2022.

10. BASIS OF CALCULATING THE BUYBACK PRICE

- a) The Equity Shares of the Company are proposed to be bought back at a price of ₹ 585/- (Rupees Five Hundred and Eighty Five only) per Equity Share.
- b) The Buyback Price of ₹ 585/- (Rupees Five Hundred and Eighty Five only) per Equity Share has been arrived at after considering various factors including, but not limited to (i) the price earnings ratio (ii) impact on other financial parameters (iii) the possible impact of Buyback on the earnings per Equity Share (iv) the trends in the volume weighted average prices (v) net worth of the Company and (vi) the closing price of the Equity Shares at NSE and BSE where the Equity Shares are listed.

- c) The Buyback Price represents a premium of 42.62% on NSE and 39.95% on BSE over the volume weighted average market price of the Equity Shares during the three months period preceding the date of prior intimation to NSE and BSE of the date of the Board Meeting wherein proposal of the Buyback was proposed and approve premium of 35.11% on NSE and 34.07% on BSE over the volume weighted average market price of the Equity Shares during the 2 weeks period preceding the date of prior intimation to NSE and BSE of the date of the Board Meeting wherein proposal of the Buyback was proposed and approved; premium of 35.64% on NSE and 35.54% on BSE over the closing price of the Equity Shares as on the date of intimation to Stock Exchange regarding the Board Meeting. The closing market price of the Equity Shares on NSE and BSE as on date of the Board Meeting was ₹ 431.30/- and ₹ 431.60/- respectively
- d) The closing market price of the Equity Shares as on the date of the Public Announcement, being September 22, 2022 was ₹ 440.80/- on NSE and ₹ 441.45/- on BSE and the closing market price of the Equity Shares on the date of the publication of the Public Announcement, being September 23, 2022, was ₹ 426.70/- on NSE and ₹ 426.10/- on BSE.
- e) For Financial ratios and trends in the market price of the Equity Shares please refer to Clause 15 & 16 of this Draft Letter of Offer respectively.

11. SOURCES OF FUNDS FOR THE BUYBACK

- a) Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only), excluding the Transaction Costs.
- b) The Buyback would be financed out of Free Reserves of the Company. The Company shall transfer from its Free Reserves or securities premium account and/or such sources as may be permitted by law, a sum equal to the nominal value of the Equity Shares bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited financial statements. The payments shall be made out of the Company's current surplus and/or cash balances and/or current investments and/or cash available from internal resources of the Company time to time at its absolute discretion.
- c) The Company has confirmed that the funds for the Buyback will be made available out of its internal accruals and not out of funds borrowed, if any, from banks and financial institutions.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- a) In accordance with the Regulation 9(xi) of the Buyback Regulations, the Company has appointed SBI Bank Limited as the Escrow Agent for the aforementioned Buyback. The Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement dated September 21, 2022 pursuant to which the Escrow Account in the name and style "S.P. Apparels Limited Buy Back Offer 2022 - Escrow Account" bearing account number 41289139914 has been opened with the Escrow Agent. The Manager to the Buyback is empowered to operate the Escrow Account in accordance with the Buyback Regulations. In accordance with Regulation 9 (xi) of the Buyback Regulations, the Company, on September 29, 2022 has deposited ₹ 9,00,00,000/- (Rupees Nine Crore only) in cash in the Escrow Account.
- b) The Company has firm financial resources to fulfil the obligations under the Buyback and the same has been certified by M/s. ASA & Associates LLP, Chartered Accountants (ICAI Firm Registration No.: 009571N/50006; Signing Partner's Membership No.: 028738) having their office at Chennai, India vide a certificate dated September 22, 2022.
- c) Based on the aforementioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- a) The capital structure of the Company as on date of the issue of this Draft Letter of Offer is as follows:

(₹ in million)

#	Particulars	Pre-Buyback
1	Authorised Share Capital:	
	4,72,50,000 Equity Shares of ₹ 10 each	472.50
	Total	472.50

#	Particulars	Pre-Buyback
2	Issued, Subscribed and Paid-Up Share Capital:	
	2,56,92,600 Equity Shares of ₹ 10 each	256.93
	Total Paid-up Capital	256.93

- b) Assuming full acceptance in the Buyback of 6,00,000 Equity Shares, the capital structure of the Company post Buyback would be as follows:

(₹ in million)

#	Particulars	Post- Buyback
1	Authorised Share Capital:	
	4,72,50,000 Equity Shares of ₹ 10 each	472.50
	Total	472.50
2	Issued, Subscribed and Paid-Up Share Capital:	
	2,50,92,600 Equity Shares of ₹ 10 each	250.93
	Total Paid-up Capital	250.93

- c) As on the date of the Draft Letter of Offer, the Equity Shares are fully paid up and there are no partly paid up Equity Shares.
- d) Except for outstanding Employee Stock Options, there are no convertible debentures or preference shares or any other convertible instruments, of the Company as on date of this Draft Letter of Offer.
- e) There are no amounts under calls in arrears.
- f) The shareholding pattern of the Company, as on the Record i.e. October 7, 2022 and Post Buyback is as follows:

Category of shareholder	Pre Buyback		Post Buyback ⁽¹⁾	
	Number of Shares	% to the existing Equity Share Capital	Number of Shares	% to the existing Equity Share Capital
Promoter and Promoter Group	1,58,48,634	61.69	[●]	[●]
Institutions (Mutual Funds, Foreign Portfolio Investors, Financial Institutions/Banks)	[●]	[●]	[●]	[●]
Non-Institutions and Others (Individuals, NRIs, Bodies Corporates, IEPF etc.)	[●]	[●]		
Total	2,56,92,600	100.00	2,50,92,600	[●]

(1) Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders of the Equity Shares up to their Buyback entitlement

- g) There is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Companies Act, as on the date of this Draft Letter of Offer.
- h) There are no locked-in Equity Shares.
- i) Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their Buyback Entitlement, the aggregate shareholding of the Promoter and Promoter Group post the Buyback may [increase/decrease] to [●]% from 61.69% prior to the Buyback.
- j) Assuming full acceptance of the Buyback, the issued, subscribed and paid up equity share capital of the Company would be ₹ 25,09,26,000 (Rupees Twenty Five Crore Nine Lakh Twenty Six Thousand only) comprising 2,50,92,600 Equity Shares of ₹ 10 each as more fully set out in Clause 13 of this Draft Letter of Offer.
- k) The aggregate shareholding of the Promoters and Promoter Group of the Company, as on the date of the Board Meeting, being September 21, 2022, date of the Public announcement i.e. September 22, 2022 and date of the publication of Public Announcement i.e. September 23, 2022 is as follows:

Sr. No.	Name of Shareholder	Category	Number of Equity Shares held	% of shareholding
1.	Mr. Perumal Sundararajan	Promoter	1,27,84,273	49.76
2.	Ms. Sundararajan Latha	Promoter Group	30,24,509	11.77

Sr. No.	Name of Shareholder	Category	Number of Equity Shares held	% of shareholding
3.	Ms. Sundararajan Shantha	Promoter Group	11,000	0.04
4.	Mr. Sundararajan Chenduran	Promoter Group	28,852	0.11
Total			1,58,48,634	61.69

- l) Details of the shareholding of the Directors and Key Managerial Personnel of the Company as on the date of the Board Meeting i.e. September 21, 2022, date of the Public announcement i.e. September 22, 2022 and date of the publication of Public Announcement i.e. September 23, 2022 is as follows:

Sr. No.	Name of Directors/ Key Managerial Personnel	Designation	Number of Equity Shares held	% of shareholding
1	Mr. Perumal Sundararajan	Chairman & Managing Director	1,27,84,273	49.76
2	Mrs. Sundararajan Latha	Executive Director	30,24,509	11.77
3	Mrs. Sundararajan Shantha	Joint Managing Director	11,000	0.04
4	Mr. Sundararajan Chenduran	Joint Managing Director	28,852	0.11

- m) No Equity Shares were either purchased or sold by the Promoter and/ or Promoter Group, Directors/Key Managerial Person of the Company during twelve months preceding the date of the Public Announcement i.e. September 22, 2022.

14. BRIEF INFORMATION OF THE COMPANY

I. History of the Company

- a) Our Company was incorporated in Avinashi, Tamil Nadu as S.P. Apparels Limited, a public limited company under Part IX of the Companies Act, 1956, pursuant to a certificate of incorporation dated November 18, 2005 that was issued following an application to convert M/s S.P. Apparels, a partnership firm into a company. The partnership firm was originally formed pursuant to a partnership deed dated December 14, 1988. Subsequently, pursuant to a partnership deed dated November 7, 2005, the partnership was further reconstituted by the declaration of the partnership as a joint stock company. The joint stock company was thereafter converted into a public limited company pursuant to a certificate of incorporation dated November 18, 2005. The Corporate Identification Number of the Company is L18101TZ2005PLC012295.
- b) The registered office of the Company is situated at 39-A, Extension Street, Kaikattipudur, Avinashi, Tirupur, Tamil Nadu, 641654. The promoter of the Company is Mr. Perumal Sundararajan and Mrs. Latha Sundararajan. The promoter group of the Company includes Mr. Sundararajan Chenduran and Mrs. Sundararajan Shantha.
- c) The Equity Shares of our Company are presently listed on the BSE (Security Code: 540048) and on NSE (Security Code: SPAL).
- d) We are a leading manufacturer and exporter of knitted garments for infants and children in India. These are manufactured at our integrated facilities that allow us to provide end-to-end garment manufacturing services from greige fabric to finished products. We also manufacture and retail menswear garments in India under the brand 'Crocodile'. We believe our core competency lies in our clear understanding of the specifications of knitted garments in the infants and children category, the buying preferences of our customers and our ability to deliver products of a consistent high quality that meet the product specifications and stringent compliance requirements of our international customers. Our long-standing relationship with our major customers has been one of the most significant factors contributing to our growth.
- e) Financial Performance:

On a standalone basis: For the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company reported total income (including other income) of ₹ 7,764.22 Millions, ₹ 5,766.88 Millions and ₹ 7,821.18 Millions respectively. Further, for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company reported profit after tax of ₹ 832 Million, ₹ 386.84 Million and ₹ 440.27 Million respectively. The total income and profit after tax of the Company, based on the unaudited standalone financial statements subjected to limited review, for the quarter ended June 30, 2022 was ₹ 2,237.62 Million and 267.19 Million respectively.

On a consolidated basis: For the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company reported total income (including other income) of ₹ 8,689.22 Millions, ₹ 6,536.90 Millions and ₹ 8,326.73 Millions respectively. Further, for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Company reported profit after tax of ₹ 846.93 Millions, ₹ 431.72 Millions and ₹ 469.19 Millions respectively. The total income and profit after tax of the Company, based on the unaudited consolidated financial statements subjected to limited review, for the quarter ended June 30, 2022 was ₹ 2,529.38 Millions and 257.96 Millions respectively.

II. The details of changes in the share capital of the Company since incorporation is as follows:

Date of allotment	No of Equity Shares allotted/ (bought back)	Face value per Equity Share (in ₹)	Issue Price per Equity Share (in ₹)	Nature of transaction	Nature of consideration	Cumulative number of Equity shares	Cumulative paid up Equity Share capital (in ₹)
18-Nov-05	50,00,000	10.00	10.00	Allotment	Cash	50,00,000	5,00,00,000
27-Mar-06	1,00,00,000	10.00	10.00	Allotment	Cash	1,50,00,000	15,00,00,000
7-Nov-06	18,00,000	10.00	210.00	Allotment	Cash	1,68,00,000	51,00,00,000
26-Jun-15	3,45,212	10.00	210.00	Allotment	Cash	1,71,45,212	58,24,94,520
22-Sep-11	2,00,00,000	10.00	10.00	Allotment	Cash	3,71,45,212	78,24,94,520
10-Aug-16	80,22,388	10.00	10.00	Allotment	Cash	4,51,67,600	86,27,18,400
4-Jun-18	5,25,000	10.00	10.00	Allotment	Cash	2,56,92,600	86,79,68,400
* 2,00,00,000 Preferential Shares Allotted on 22.09.2011 is converted into 5,25,000 Equity Shares on 04-Jun-18							

III. The Details of the Board of Directors of the Company as on the date of the Public Announcement are as follows:

#	Name of the Director	Designation	Qualification	Occupation	Date of Appointment	Date of Re-Appointment	Directorship in other Companies/ Partnership in LLPs
1.	Mr. Perumal Sundararajan	Chairman & Managing Director	B.Sc.	Business	18.11.2005	02.09.2020	1. Poornam Enterprises Pvt Ltd 2. Crocodile Products Pvt Ltd 3. S P Superfine Cotton Mills Private Limited 4.S.P.Retail Ventures Limited
2.	Mrs. Sundararajan Latha	Executive Director	Higher Secondary	Business	18.11.2005	02.09.2020	1. Crocodile Products Private Limited 2. S.P. Retail Brands Limited 3. S.P. Retail Ventures Limited
3.	Mr. Sundararajan Chenduran	Joint Managing Director	M.sc	Business	30.03.2015	13.08.2019	1. Poornam Enterprises Pvt Ltd 2. Crocodile Products Pvt Ltd 3. S.P. Retail Brands Limited 4. S.P. Retail Ventures Limited
4.	Mrs. Sundararajan Shantha	Joint Managing Director	B.Tech (Textiles) , MBA	Business	11.08.2022	-	1. S P Superfine Cotton Mills Private Limited 2. S.P. Retail Brands Limited
5.	Mr. Venkidusamy Sakthivel	Independent Director	Chartered Accountant	Chartered Accountant		13.08.2019	1. Crocodile Products Private Limited
6.	Mr. Aravinda Sundara Anand Kumar	Independent Director	M.sc (Mathematics) & CAIIB	Chartered Accountant	13.11.2015	02.09.2020	1. Value Vision Consultant Private Limited 2. V V Corporate Financial Services Private Limited 3. Neueon Towers Limited
7.	Mr. Chathamur Raman Rajagopal	Independent Director	Chartered Accountant	Chartered Accountant	02.09.2020	-	1. Tricolour Financial Services Private Limited 2. Eastman Exports Global Clothing Private Limited 3. India Dyeing Mills Private Limited 4. Eastman Spinning Mills Private Limited

#	Name of the Director	Designation	Qualification	Occupation	Date of Appointment	Date of Re-Appointment	Directorship in other Companies/ Partnership in LLPs
							5. Kaapi Machines (India) Private Limited 6. S.P. Retail Ventures Limited 7. Chona Management Malls Limited
8.	Mrs. Harihara Sharma Lakshmi Priya	Independent Director	BL	Advocate	02.09.2020	-	NIL

IV. The details of change of Board of Directors during the last three years preceding the date of the Public Announcement are as under:

Name of the Director	Designation	Appointment/Re-appointment/Cessation/Resignation	Effective Date	Reason for changes
P. Yesuthasen	Independent Director	Resignation	28-Aug-20	Retirement
C.R. Rajagopal	Independent Director	Appointment	2-Sep-20	Appointed as an Independent Director
H. Lakshmi Priya	Independent Director	Appointment	2-Sep-20	Appointed as an Independent Director
G. Ramakrishnan	Independent Director	Resignation	13-Nov-20	Retirement
Mr. S. Chenduran	Executive Director	Reappointment	13-Feb-21	Redesignated as Non-Executive Director
Mr. S. Chenduran	Non-Executive Director	Reappointment	11-Aug-22	Redesignated as Joint Managing Director
Mrs. S. Shantha	Joint Managing Director	Appointment	11-Aug-22	Appointed as Joint Managing Director

V. The Buyback will not result in any benefit to any Directors of the Company/ Promoter and Promoter Group/ Person Acting in Concert of the Company/ group companies, except to the extent of the intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which may lead to a reduction in the equity share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

a) The salient financial information of the Company as extracted from the unaudited standalone financial results for the three months period ended June 30, 2022 and audited standalone financial statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are provided below:

(₹ in Millions)

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Revenue from operations	2,166.65	7,670.47	5,755.16	7,583.10
Other income	70.97	93.75	11.72	238.08
Total Income	2,237.62	7,764.22	5,766.88	7,821.18
Total Expenses (excluding finance cost, depreciation & amortization)	1,740.24	6,180.09	4,750.27	6,774.19
Finance Costs	45.78	112.17	137.60	224.21
Depreciation	89.38	346.52	340.05	316.32
Profit before exceptional item and tax	362.22	1,125.44	538.96	506.46
Exceptional item	-	-	-	97.31
Profit before tax	362.22	1,125.44	538.96	409.15
Tax expense (including Deferred Tax)	95.03	293.46	152.12	(31.12)
Profit after tax	267.19	832.00	386.84	440.27
Equity Share Capital	256.93	256.93	256.93	256.93
Other Equity	6,318.93	6,044.32	5,264.61	4,963.30

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Net worth*	6,575.86	6,301.25	5,521.54	5,220.23
Total debt#	2,303.71	2,046.82	1,806.42	2,162.45

Notes: *Net worth comprises of Equity Share Capital + Other equity.

#Total Debt = Long Term Borrowings + Short term Borrowings + Current Maturities of Long Term Borrowings + Long term maturities of lease obligation + Current maturities of finance lease obligations.

b) Key financial ratios:

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Key Ratios				
Earnings per Share:				
– Basic (₹) ⁽¹⁾	10.4	32.38	15.06	17.14
– Diluted (₹) ⁽²⁾	10.4	32.38	15.06	17.14
Book Value per Share (₹) ^{(3) (4)}	255.94	245.26	214.91	203.18
Return on Net Worth (%) ^{(3) (5)}	0.04	0.13	0.07	0.10
Total Debt / Equity ratio ⁽⁶⁾	0.35	0.32	0.33	0.41

***Not annualised**

Below are the formulae used for computation of the above ratios:

- (1) Basic Earnings per Share = Profit After Tax/ Weighted average number of shares outstanding for the period
- (2) Diluted Earnings per Share = Profit After Tax/ Weighted average number of diluted shares outstanding for the period
- (3) Net Worth consists of Equity Share Capital + Other equity.
- (4) Book value per Share = (Equity share Capital + Other equity)/No of Equity Shares at the end of the period
- (5) Return on Net Worth = Profit After Tax/Average Net worth
- (6) Debt-Equity Ratio = (Long Term Borrowings + Short term Borrowings + Current Maturities of Long Term Borrowings + Long term maturities of lease obligation + Current maturities of finance lease obligations)/Net Worth

c) The salient financial information of the Company as extracted from the unaudited consolidated financial statements for the three months period ended June 30, 2022 and from the audited consolidated financial statements for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are provided below:

(₹ in millions)

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Revenue from operations	2,457.76	8,594.27	6,523.14	8,089.66
Other income	71.62	94.95	13.76	237.07
Total Income	2,529.38	8,689.22	6,536.90	8,326.73
Total Expenses (excluding finance cost, depreciation & amortization)	2,027.94	7,076.93	5,479.68	7,258.18
Finance Costs	50.57	118.53	142.75	227.81
Depreciation	95.29	345.86	323.05	299.34
Profit before exceptional item, tax, share of profit of joint venture and associate	355.58	1,147.90	591.42	541.41
Exceptional item	1.06	-	-	97.31
Profit before tax, share of profit of joint venture and associate	-	-	-	-
Share of profit in joint venture and associate, net of tax	-	-	-	-
Profit before tax	354.52	1,147.90	591.42	4,44.09
Tax expense (including Deferred Tax)	96.55	300.97	159.70	(25.10)
Profit after tax	257.96	846.93	431.72	469.19
Equity Share Capital	256.93	256.93	256.93	256.93

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Other Equity excluding Non-controlling interest	6,383.24	6,120.81	5,326.92	4,975.29
Net worth*	6,640.17	6,377.74	5,583.85	5,232.22
Total debt#	2,621.46	2,313.14	1,941.52	2,262.51

Notes: Net worth comprises of Equity Share Capital + Other equity.

#Total Debt = Long Term Borrowings + Short term Borrowings +Current Maturities of Long Term Borrowings+ Long term maturities of lease obligation + Current maturities of finance lease obligations.

d) Key financial ratios:

Particulars	Three months period ended June 30, 2022 (Unaudited)	Year Ended		
		March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Key Ratios				
Earnings per Share:				
– Basic (₹) ⁽¹⁾	10.04	32.96	16.80	18.26
– Diluted (₹) ⁽²⁾	10.04	32.96	16.80	18.26
Book Value per Share (₹) ^{(3) (4)}	255.89	245.69	214.82	201.15
Return on Net Worth ^{(3) (5)}	0.04	0.13	0.08	0.09
Total Debt/Equity Ratio ⁽⁶⁾	0.40	0.37	0.35	0.44

*Not annualised

Below are the formulae used for computation of the above ratios:

- (1) Basic Earnings per Share = Profit After Tax/ Weighted average number of shares outstanding for the period
- (2) Diluted Earnings per Share = Profit After Tax/ Weighted average number of diluted shares outstanding for the period.
- (3) Net Worth consists of Equity Share Capital + Other equity.
- (4) Book value per Share = (Equity share Capital +Other equity)/No of Equity Shares at the end of the period
- (5) Return on Net Worth = Profit After Tax /Average Net worth
- (6) Total Debt-Equity Ratio = (Long Term Borrowings + Short term Borrowings +Current Maturities of Long Term Borrowings+ Long term maturities of lease obligation + Current maturities of finance lease obligations)/Net Worth

- e) The debt equity ratio of the Company post Buyback shall be compliant with the permissible limit under the Companies Act.
- f) The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended, wherever and if applicable. The Company hereby declares that it has complied with Sections 68, 69 and 70 and other applicable provisions of the Companies Act.

16. STOCK MARKET DATA

- (1) The Equity Shares are currently listed and traded only on BSE and NSE. The Equity Shares of our Company are presently listed on the BSE (Security Code: 540048) and on NSE (Security Code: SPAL).
- (2) The high, low and average market prices in preceding three financial years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on NSE (stock exchange with higher traded volume of Company's Equity Shares over past six months from the date of the Public Announcement) are as follows:

Period	High Price (₹)	Date of High Price	Number of Equity Shares traded on that date	Low Price (₹)	Date of Low Price	Number of Equity Shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of Equity shares)
3 Years								
Financial Year 2022	530.90	03-Feb-22	2,54,227	141.55	22-Apr-21	15,994	323.99	2,76,62,483
Financial Year 2021	211.25	18-Feb-21	1,45,100	57.00	20-May-20	12,662	117.56	1,49,50,118

Period	High Price (₹)	Date of High Price	Number of Equity Shares traded on that date	Low Price (₹)	Date of Low Price	Number of Equity Shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of Equity shares)
3 Years								
Financial Year 2020	328.60	01-Apr-19	14,114	56.75	30-Mar-20	10,648	222.42	3,87,1940

Period	High Price (₹)	Date of High Price	Number of Equity shares traded on that date	Low Price (₹)	Date of Low Price	Number of Equity shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of Equity shares)
6 months								
Aug'22	463.75	26-Aug-22	39,523	375.30	01-Aug-22	2,8043	428.64	20,45,627
Jul'22	414.90	13-Jul-22	2,18,926	360.00	06-Jul-22	34,422	377.40	9,44,665
Jun'22	398.00	27-Jun-22	1,75,478	326.05	02-Jun-22	48,931	359.84	23,65,591
May'22	408.00	02-May-22	3,38,756	308.40	26-May-22	66,903	344.96	21,47,188
Apr'22	397.45	07-Apr-22	94,481	345.75	01-Apr-22	1,26,096	370.48	19,31,942
Mar'22	427.50	25-Mar-22	1,02,566	337.25	31-Mar-22	1,02,566	381.09	12,96,693

Source: nseindia.com

Note: High and Low price for the period are based on high and low of daily high and daily low prices respectively and Average Price is based on average of closing prices during the said period.

- (3) The high, low and average market prices in preceding three financial years and the monthly high, low and average market prices for the six months preceding the date of publication of Public Announcement and the corresponding volumes on BSE are as follows:

Period	High Price (₹)	Date of High Price	Number of Equity Shares traded on that date	Low Price (₹)	Date of Low Price	Number of Equity Shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of Equity shares)
3 Years								
Financial Year 2022	530.00	03-Feb-22	10,930	140.00	22-Apr-21	1,652	323.99	26,24,078
Financial Year 2021	211.00	17-Feb-21	23,396	57.95	26-May-20	172	119.07	12,09,723
Financial Year 2020	327.00	01-Apr-19	2,165	157.15	27-Feb-20	5,448	231.19	3,74,551

Period	High Price (₹)	Date of High Price	Number of Equity shares traded on that date	Low Price (₹)	Date of Low Price	Number of Equity shares traded on that date	Average Price (₹)	Total Volume Traded in the period (No. of Equity shares)
6 months								
Aug'22	463.50	26-Aug-22	1,989	376.10	01-Aug-22	690	428.72	1,72,030
Jul'22	414.00	13-Jul-22	15,940	359.40	06-Jul-22	3,944	377.24	63,264
Jun'22	397.50	27-Jun-22	10,537	326.00	03-Jun-22	7,110	359.89	2,34,124
May'22	407.70	02-May-22	49,352	308.95	26-May-22	6,689	345.21	2,77,252
Apr'22	396.65	06-Apr-22	12,754	346.35	01-Apr-22	12,807	370.72	1,68,493
Mar'22	414.90	11-Mar-22	12,107	338.40	31-Mar-22	8,835	381.22	1,02,220

Source: bseindia.com

Note: High and Low price for the period are based on high and low of daily high and daily low prices respectively and Average Price is based on average of closing prices during the said period.

If multiple days having the same high or low intraday prices, then the price with the higher volume on that particular day has been chosen.


- (4) The closing market price of the Equity Shares as on the date of the Board Meeting for considering the Buyback, being September 21, 2022, was ₹ 431.30 /- on NSE and ₹ 431.60 /- on BSE. The closing market price of the Equity Shares on NSE and BSE as on September 22, 2022 being the working day after to the day of resolution of the Board approving the proposal for Buyback and the date of Public Announcement, was ₹ 440.80/- and ₹ 441.45/- respectively. The closing market price of the

Equity Shares on the date of the publication of the Public Announcement, being September 23 1010, 2022, was ₹ 426.70/- on NSE and ₹ 426.10/- on BSE.

17. DETAILS OF THE STATUTORY APPROVALS

- a) The Buyback is subject to approvals, if any, required under the provisions of the Companies Act, the Buyback Regulations, and applicable rules and regulations as specified by RBI under FEMA and/ or such other applicable rules and regulations for the time being in force.
- b) The Board at its meeting held on September 21, 2022, approved the proposal for the Buyback.
- c) The Buyback from each Eligible Shareholder is subject to all statutory consents and approvals as may be required by such Eligible Shareholder under applicable laws and regulations including from SEBI and/ or NSE or BSE. The Eligible Shareholder shall be solely responsible for obtaining all such statutory consents and approvals (including, without limitation the approvals from the Reserve Bank of India, if any) as may be required by them in order to sell their Equity Shares to the Company pursuant to the Buyback. An Eligible Shareholder would be required to provide copies of all such consents and approvals obtained by them to the Registrar to the Buyback.
- d) The Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians ("NRI") and erstwhile Overseas Corporate Bodies ("OCB") and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs), and members of foreign nationality, if any, etc., must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from RBI). It is the obligation of such non-resident shareholders, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the tender form, so as to enable them to tender Equity Shares in the buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholders in respect of whom no prior RBI approval is required and not accept Equity Shares from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted. By agreeing to participate in the Buyback, the Non-Resident Shareholders give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting's, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- e) As of date of this Draft Letter of Offer, there is no other statutory or regulatory approval required to implement the Buyback, other than that indicated above. If any statutory or regulatory approvals become applicable subsequently, the Buyback will be subject to such statutory or regulatory approvals. In the event that the receipt of any statutory/ regulatory approvals are delayed, changes to the proposed timetable of the Buyback, if any, shall be intimated to BSE and NSE.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK AND COLLECTION CENTRES

Registrar to the Buyback  Link Intime India Private Limited	C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India Tel: +91 22 4918 6200 Facsimile: +91 22 4918 6195 Email: spapparels.buyback@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: INR000004058
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In case of any query, the Shareholders may contact the Registrar to the Buyback, from Monday to Friday between 10:00 am to 5:00 pm on all working days except public holidays at the above-mentioned address.

Collection Centres:

Eligible Shareholders who wish to tender their Equity shares in the Buyback are requested to submit their Form(s) along with the TRS generated by the exchange bidding system and requisite documents either by registered post/ courier to the Registrar to the Buyback, super scribing the envelope as "S.P. Apparels Limited Buyback 2022", or hand deliver the same to the head office of the Registrar, so that the same are received on or before the Buyback Closing Date i.e., [•] by 5 pm (IST).

For the Eligible Shareholders holding Equity Shares in demat form, the Tender Form and TRS are not required to be submitted to the Company, Manager or the Registrar. After the confirmation of lien marked in demat account of the Eligible Shareholders to

the Clearing Corporation and a valid bid in the exchange bidding system, the bid for buyback shall be deemed to have been accepted for Eligible Shareholders holding the equity shares in demat form.

ELIGIBLE SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

- I. The Company proposes to Buyback upto 6,00,000 (Six Lakh Only) fully paid-up Equity Shares at a price of ₹585/- (Rupees Five Hundred and Eighty Five Only) per Equity Share, payable in cash for a maximum amount not exceeding ₹ 35,10,00,000/- (Rupees Thirty Five Crore Ten Lakh Only) excluding expenses incurred or to be incurred for the Buyback, which represents 5.68% and 5.62% of the aggregate of the fully paid-up equity share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as on March 31, 2022 respectively through the tender offer route using the stock exchange mechanism, on a proportionate basis from all the Equity Shareholders/beneficial owners of the equity shares of the Company as on the Record Date. The number of Equity Shares proposed to be bought back represents 2.34% of the total number of Equity Shares in the total paid-up Equity Share capital of the Company, as on March 31, 2022. The Buyback is in accordance with the provisions of Section 68, 69, 70 and other applicable provisions, if any, of the Companies Act and in accordance with Article 13 of the Articles of Association of the Company and subject to Regulation 4(iv) and other applicable provisions contained in the Buyback Regulations and such other approvals, permissions and exemptions as may be required, from time to time from statutory authorities and/ or regulatory authorities, including but not limited to SEBI, BSE, NSE and/or the RBI. The Board approved the Buyback at its meeting held on September 21, 2022. The Buyback Size does not exceed 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, respectively.
- II. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders may take their own decision after consulting their own advisors, as they may deem fit, regarding their participation in the Buyback.
- III. The aggregate shareholding of the Promoter and Promoter Group as at the date of the Public Announcement is 1,58,48,634 Equity Shares which represents 61.69% of the existing paid-up equity share capital of the Company. In terms of the Buyback Regulations, under the tender offer route, the Promoters and Promoter Group of the Company have an option to participate in the Buyback. In this regard, the Promoter and members of the Promoter Group of the Company, have expressed their intention vide their respective letters dated September 21, 2022, to participate in the Buyback and tender Equity Shares to the extent of their entitlement.
- IV. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their Buyback Entitlement including the Promoter and members of the Promoter Group, the aggregate shareholding and voting rights of the Promoter and members of the Promoter Group may [increase/decrease] to [●]% post the Buyback from 61.69% prior to the Buyback (as on the date of the Public Announcement) and the aggregate shareholding of the public Shareholders in the Company may [increase/decrease] to [●]% post Buyback from the current pre Buyback shareholding of 38.31%.
- V. Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:**
 - a) The Board vide its resolution dated September 21, 2022 announced Friday, October 7, 2022 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Equity Shareholders who are eligible to participate in the Buyback i.e. Eligible Shareholders.
 - b) The Equity Shares to be bought back as a part of this Buyback are divided into two categories:
 - i. Reserved category for Small Shareholders ("Reserved Category"); and
 - ii. General Category for other Eligible Shareholders ("General Category").
 - c) As defined under Regulation 2(i)(n) of the Buyback Regulations, a "Small Shareholder" is a shareholder of the Company who holds Equity Shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume in respect of Equity Shares as on Record Date) as on the Record Date, of not more than ₹ 2,00,000/- (Rupees

Two Lakh only). As on the Record Date, the volume of Equity Shares traded on NSE was [●] Equity Shares and on BSE was [●] Equity Shares. Accordingly, [●] being the exchange with highest trading volume, the closing price was ₹ [●] and hence all Eligible Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as “Small Shareholders” for the purpose of the Buyback Offer.

- d) Based on the above definition, there are [●] Small Shareholders in the Company with aggregate shareholding of [●] Equity Shares as on the Record Date, which constitutes [●]% of the outstanding number of Equity Shares of the Company as on Record Date and [●]% of the maximum number of Equity Shares which the Company proposes to buy back as a part of this Buyback.
- e) In compliance with Regulation 6 of the Buyback Regulations, the reservation for the Small Shareholders, will be higher of:
- Fifteen percent of the number of Equity Shares which the Company proposes to buy back i.e. 15% of [●] Equity Shares which works out to [●] Equity Shares; or
 - The number of Equity Shares to which the Small Shareholders are entitled as per their shareholding as on Record Date i.e. $([●]/[●]) \times [●]$ which works out to be [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the Buyback Entitlement of Small Shareholders since the Promoter and the members of the Promoter Group also intend to offer Equity Shares held by them in the Buyback.

In case the total number of Equity Shares held by the Small Shareholders on the Record Date is less than [●] (higher of (i) and (ii) above), the maximum number of Equity Shares reserved for Small Shareholders will be restricted to the total number of Equity Shares held by the Small Shareholders as on Record Date.

Based on the above analysis and in accordance with Regulation 6 of the Buyback Regulations, [●] Equity Shares have been reserved for the Small Shareholders (“Reserved Category”) and accordingly, the General Category for all other Eligible Shareholders shall consist of [●] Equity Shares (“General Category”).

- f) Based on the above Buyback Entitlements, the ratio of Buyback for both categories is decided as below:

Category of Shareholders	Indicative Entitlement Ratio of Buyback *
Reserved category for Small Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.
General category for all other Eligible Shareholders	[●] Equity Shares out of every [●] fully paid-up Equity Shares held on the Record Date.

*The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is [●]% and General category for all other Eligible Shareholders is [●]%.

VI. Fractional Entitlements:

- If the Buyback Entitlement, after applying the above-mentioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Shareholders.
- On account of ignoring the fractional entitlement, those Small Shareholders who hold [●] or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback Offer and will be given preference in the Acceptance of 1 (one) Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

VII. Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders:

Subject to the provisions contained in this DLOF, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- b) Post the Acceptance as described in Clause 19. (VII) (a) above, in case there are any Equity Shares left to be bought back from Small Shareholders in the Reserved Category, the Small Shareholders who were entitled to tender zero Equity Shares (on account of ignoring the fractional entitlement), and have tendered Additional Equity Shares as part of the Buyback, shall be given preference and one Equity Share each from the Additional Equity Shares applied by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the Acceptance as described in 19. (VII) (a) and (b) above, in case there are any validly tendered unaccepted Equity Shares in the Reserved Category and Equity Shares left to be bought back in the Reserved Category, such Additional Equity Shares tendered by the Small Shareholders over and above their Buyback Entitlement, shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptances per Small Shareholders shall be made in accordance with the Buyback Regulations, i.e. valid Acceptances per Small Shareholder shall be equal to the Additional Equity Shares validly tendered by the Small Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be accepted in Reserved Category. For the purpose of this calculation, the Additional Equity Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with clause 19. (VII) (b) above, shall be reduced by one.
- d) Adjustment for fractional results in case of proportionate Acceptance, as described in Clause 19. (VII) (c) above:
 - i. For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Small Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Clause 19 of this DLOF.

VIII. Basis of Acceptance of Equity Shares validly tendered in the General Category:

Subject to the provisions contained in the DLOF, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Shareholders in the General Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b) Post the Acceptance as described in Clause 19. (VIII) (a) above, in case there are any validly tendered unaccepted Equity Shares in the General Category and Equity Shares left to be bought back in the General Category, such Additional Equity Shares tendered by the other Eligible Shareholders over and above their Buyback Entitlement shall be Accepted in proportion of the Additional Equity Shares tendered by them and the acceptances per shareholder shall be made in accordance with the Regulations, i.e. valid acceptances per Eligible Shareholder shall be equal to the Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares to be Accepted in General Category.
- c) Adjustment for fractional results in case of proportionate Acceptance as described in Clause 19. VIII (a) and (b) above, will be made as follows:
 - i. For any Eligible Shareholder, if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.

- ii. For any Eligible Shareholder if the number of Additional Equity Shares to be Accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Clause 19 of this DLOF.

IX. Basis of Acceptance of Equity Shares between Categories

- a) After Acceptances of Equity Shares, as mentioned in clause 19.VII and 19. VIII above, in case, there are any Equity Shares left to be bought back in one category ("**Partially Filled Category**") and there are additional unaccepted validly tendered Equity Shares ("**Further Additional Shares**") in the second category ("**Over Tendered Category**"), then the Further Additional Shares in the Over Tendered Category shall be Accepted in a proportionate manner i.e., valid Acceptances per Eligible Shareholder shall be equal to Further Additional Shares validly tendered by the Eligible Shareholder in the Over Tendered Category divided by the total Further Additional Shares in the Over Tendered Category and multiplied by the total Shares left to be bought back in the Partially Filled Category.
- b) If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Equity Shares shall be eligible for priority Acceptance of one Equity Share before Acceptance in clause 19.IX (a) out of the Equity Shares left to be bought back in the Partially Filled Category provided no Acceptance could take place from such Shareholder in accordance with clause 19.VII of this DLOF.
- c) Adjustment for fraction results in case of proportionate Acceptance, as defined in clause 19. (IX) (a) and (b) above:
 - i. For any Eligible Shareholder, if the number of Further Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - ii. For any Eligible Shareholder, if the number of Further Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

In case of any practical issues, resulting out of rounding-off of Shares or otherwise, the Buyback Committee or any person(s) authorized by the Buyback Committee will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares after allocation of Equity Shares as set out in the process described in Clause 19 of this DLOF.

X. For avoidance of doubt, it is clarified that:

- a) the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with clauses above, shall not exceed the number of Equity Shares tendered by the respective Eligible Shareholder;
- b) the Equity Shares Accepted under the Buyback from each Eligible Shareholder, in accordance with clauses above, shall not exceed the number of Equity Shares held by respective Eligible Shareholder as on the Record Date; and
- c) the Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the clauses above.

XI. Clubbing of Entitlement

In accordance with Regulation 9(ix) of the Buyback Regulations, in order to ensure that the same Eligible Shareholder with multiple demat accounts/ folios do not receive a higher entitlement under the small shareholder category, the Equity Shares held by such Eligible Shareholder with a common Permanent Account Number ("PAN") shall be clubbed together for determining the category (small shareholder or general) and entitlement under the Buyback. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held

in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/ foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/ sub-accounts and have a different demat account nomenclature based on information prepared by the Registrar to the Buyback as per the shareholder records received from the depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body – broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- I. The Buyback is open to all Eligible Shareholders / beneficial owners of the Company, i.e., the shareholders who on the Record Date were holding Equity Shares either in physical form (“**Physical Shares**”) and the beneficial owners who on the Record Date were holding Equity Shares in the dematerialized form (“**Demat Shares**”) (such shareholders are referred to as the (“**Eligible Shareholders**”). The Company proposes to effect the Buyback through a tender offer route through Stock Exchange Mechanism, on a proportionate basis. The Letter of Offer and Tender Form, outlining the terms of the Buyback as well as the detailed disclosures as specified in the Buyback Regulations, will be e-mailed/dispatched to Eligible Shareholders whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date, as per the Buyback Regulations and such other circulars or notifications, as may be applicable.
- II. The Letter of Offer, shall be sent through electronic means to Eligible Shareholder(s) who have registered their email ids with the Depositories / the Company, and for those Eligible Shareholder(s) who have not registered their email ids with the Depositories / the Company, the Letter of Offer shall be dispatched through physical mode by registered post/ speed post/ courier. In case of non-receipt of Letter of Offer and the Tender Form, please follow the procedure mentioned in Clause 20 of this DLOF.
- III. The Company will not accept any Equity Shares offered in the Buyback where the title of shares is under dispute or which are under any restraint order of a court or such similar authority for transfer/ sale of such Equity Shares or where loss of share certificate(s) has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise not clear or where any other restraint subsists. In accordance with Regulation 24(v) of the Buyback Regulations, the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or until such Equity Shares become transferable. The Company shall accept all the Equity Shares validly tendered in the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date.
- IV. An unregistered shareholder holding physical shares may also tender their shares for Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in their name, along with the offer form, copy of their PAN card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any.
- V. Eligible Shareholders will have to transfer their Equity Shares from the same demat account in which they were holding such Equity Shares (as on the Record Date), and in case of multiple demat accounts, Eligible Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held (as on Record Date), such Eligible Shareholders should provide sufficient proof of the same to the Registrar to the Buyback and such tendered Equity Shares may be accepted subject to appropriate verification and validation by the Registrar to the Buyback. The Board or the Buyback Committee authorised by the Board will have the authority to decide such final allocation in case of non-receipt of sufficient proof by such Eligible Shareholder.
- VI. As disclosed in Clause 19 (Process and Methodology of Buyback) above, the Equity Shares proposed to be bought as a part of the Buyback are divided into 2 (two) categories; (i) Reserved Category for Small Shareholders, and (ii) the General Category for other Eligible Shareholders; and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- VII. After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above

their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.

- VIII. Eligible Shareholders' participation in the Buyback is voluntary. Eligible Shareholders may opt to participate in part or in full, and receive cash in lieu of the Equity Shares accepted under the Buyback or they may opt not to participate and enjoy a resultant increase in their percentage shareholding, after the completion of the Buyback, without any additional investment. Eligible Shareholders may also tender a part of their Buyback Entitlement. Eligible Shareholders also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement but not more than their shareholding as on Record Date) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The Acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of procedure outlined in the Letter of Offer.
- IX. The maximum number of Equity Shares that can be tendered under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by such Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account.
- X. The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide SEBI Circulars and following the procedure prescribed in the Act and the Buyback Regulations, and as may be determined by the Board (including the Buyback Committee authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.
- XI. Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member(s) (along with the complete set of documents for verification procedures in case of Equity Shares held in physical form) and have to ensure that their bid is entered by their respective Seller Member(s) in the electronic platform to be made available by BSE before the Buyback Closing Date. The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder (s) who intend to participate in the Buyback using the "plain paper" option as mentioned above are advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.
- XII. The acceptance of the Buyback made by the Company is entirely at the discretion of the Eligible Shareholders of the Company. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Equity Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- XIII. For implementation of the Buyback, the Company has appointed Motilal Oswal Financial Services Limited as the registered broker to the Company (the "**Company's Broker**") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback and through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:



Motilal Oswal Financial Services Limited;

Address: Motilal Oswal Tower, Rahimtullah Sayani Road,
Opposite Parel S.T. Bus Depot, Prabhadevi - Mumbai - 400 025

Contact Person: Krishna Sharma;

Tel No.: +91 22 7198 5473;

Email: ksharma@motilaloswal.com

Website: www.motilaloswal.com

CIN: L67190MH2005PLC153397

SEBI Registration No.: INZ000158836

- XIV. The Company will request BSE Limited, who shall be the designated stock exchange for the purpose of this Buyback to provide a separate Acquisition Window to facilitate placing of sell orders by Eligible Shareholders who wish to tender their Equity Shares in the Buyback. The details of the Acquisition Window will be specified by BSE from time to time.
- XV. In the event Stock Broker(s) of any Eligible Shareholder is not registered with BSE as a trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register themselves by using quick unique client code ("**UCC**") facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholders are unable to register themselves by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company's Broker, to place their bids, by using UCC facility after submitting requisite documents.
- XVI. All Eligible Shareholders, through their respective Seller Member(s) will be eligible and responsible to place orders in the Acquisition Window.
- XVII. During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective Seller Member(s) during normal trading hours of the secondary market. The Seller Member can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company's Broker may also process the orders received from the Eligible Shareholders after Eligible Shareholders have completed their KYC requirement as required by the Company's Broker.
- XVIII. The Buyback from the Eligible Shareholders who are residents outside India including foreign corporate bodies (including erstwhile overseas corporate bodies), foreign portfolio investors, non-resident Indians, members of foreign nationality, if any, shall be subject to the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any, Income Tax Act, 1961 and rules and regulations framed thereunder, as applicable, and also subject to the receipt/provision by such Eligible Shareholders of such approvals, if and to the extent necessary or required from concerned authorities including, but not limited to, approvals from the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and rules and regulations framed thereunder, if any.
- XIX. The reporting requirements for Non-Resident Shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholder and/or the Seller Member through which the Equity Shareholder places the bid.
- XX. Modification/ cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the Tendering Period. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of Acceptance.
- XXI. The cumulative quantity tendered shall be made available on BSE's website www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- XXII. All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to adequately safeguard their interests in this regard.
- XXIII. **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**
- a) Eligible Shareholders who desire to tender their Equity Shares held by them in the electronic/dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating to the concerned Seller Member, details of Equity Shares they intend to tender under the Buyback.
 - b) The Seller Member(s) would be required to place an order/ bid on behalf of the Eligible Shareholders who wish to tender Demat Shares in the Buyback using the Acquisition Window of the Designated Stock Exchange. Before placing the order/ bid, the Eligible Shareholder would be required to transfer the number of Equity Shares tendered to the special account of Clearing Corporation specifically created for the purpose of Buyback offer, by using the early pay-in mechanism as prescribed by the Designated Stock Exchange or the Clearing Corporation prior to placing the bid by the Seller Member. For further details, Eligible Shareholders may refer to the circulars issued by BSE and Clearing Corporation.

- c) The details of the Special Account of the Clearing Corporation and the settlement number shall be informed in the issue opening circular that will be issued by the Designated Stock Exchange and/or the Clearing Corporation.
- d) The lien shall be marked in the demat account of the Eligible Shareholders for the Equity Shares tendered in the Buyback. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by the depositories to the Clearing Corporation.
- e) In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buyback shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“IDT”) instructions shall be initiated by shareholders at source depository to clearing member pool/ Clearing Corporation account at target depository. Source depository shall block the shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target depository to the Clearing Corporation
- f) For Custodian Participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification by the concerned Seller Member shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- g) Upon placing the bid, the Seller Member(s) shall provide a Transaction Registration Slip (‘TRS’) generated by the exchange bidding system to the Eligible Shareholder on whose behalf the bid has been placed. The TRS will contain the details of order submitted like Bid ID No., Application No., DP ID, Client ID, No. of Equity Shares tendered etc.
- h) It is clarified that in case of Demat Shares, submission of Tender Form and TRS is not mandatory. In case of non-receipt of the completed tender form and other documents, but receipt of Equity Shares in the accounts of the Clearing Corporation and a valid bid in the exchange bidding system, the bid for Buyback shall be deemed to have been accepted.
- i) All the Eligible Shareholders who have tendered their Demat Shares shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):
 - i. Duly attested power of attorney, if any person other than the Eligible Shareholder has signed the Tender Form;
 - ii. Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
 - iii. In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- j) Eligible Shareholders who have tendered their Demat Shares in the Buyback may deliver the Tender Form duly signed (by all Eligible Shareholders in case Demat Shares are in joint names) in the same order in which they hold the Equity Shares, along with TRS generated by the stock exchange bidding system upon placing of a bid, either by registered post, speed post or courier or hand delivery to the Registrar to the Buyback at the address mentioned on the cover page of this Draft Letter of Offer, so that the same are received on or before of Buyback Closing Date. The envelope should be super scribed as “S.P. Apparels Limited Buyback 2022”. In case of Demat Shares, submission of Tender Form and TRS is not mandatory.
- k) Excess Demat Shares or unaccepted Demat Shares, if any, tendered by the Eligible Shareholders would be returned to them by Clearing Corporation. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Member’s depository pool account for onward transfer to the Eligible Shareholder. In case of custodian participant orders, Demat Shares or unaccepted Demat Shares, if any, will be returned to the respective custodian depository pool account.
- l) The Eligible 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 buyback decided by the Company. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.

XXIV. Procedure to be followed by Registered Eligible Shareholders holding Equity Shares in physical form:

In accordance with the Frequently Asked Questions issued by SEBI, “FAQs – Tendering of physical shares in buy-back 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, Eligible Shareholders holding securities in physical form are allowed to tender shares in buyback through tender offer route. However, such tendering shall be as per the provisions of the Buyback Regulations and terms of the Letter of Offer.

- a) Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Buyback will be required to approach their respective Seller Member(s) along with the complete set of documents for verification procedures to be carried out before placement of the bid. Such documents will include the following: the (i) the tender form duly signed by all Eligible Shareholders (in case shares are in joint names, in the same order in which they hold the shares), (ii) original Equity Share certificate(s), (iii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, (iv) self-attested copy of the PAN card of all the Eligible Shareholders, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- b) Based on the documents as mentioned in Clause 20. XXIV (a) herein above, the concerned Seller Member shall place an order/ bid on behalf of Eligible Shareholders holding Equity Shares in physical form who wish to tender Equity Shares using the Acquisition Window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.
- c) Any Seller Member / Eligible Shareholder who places a bid for physical Equity Shares, is required to deliver the original Equity Share certificate(s) and documents (as mentioned in Clause 20. XXIV (a)) along with TRS either by registered/ speed post or courier or hand delivery to Registrar to the Buyback, at its address provided in Clause 18 herein above, on or before the Buyback closing date. The envelope should be super scribed as “S.P. Apparels Limited Buyback 2022”. One copy of the TRS will be retained by Registrar to the Buyback and it will provide acknowledgement of the same to the Seller Member/ Eligible Shareholder.
- d) Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents are submitted. Acceptance of the physical Equity Shares for Buyback by the Company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. The Registrar to the Buyback will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as ‘unconfirmed physical bids’. Once the Registrar to the Buyback confirms the bids, they will be treated as ‘Confirmed Bids’.
- e) An unregistered shareholder holding Physical Shares may also tender their Equity Shares in the Buyback by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in their name, along with the offer form, copy of their PAN card and of the person from whom they have purchased shares and other relevant documents as required for transfer, if any
- f) In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buyback before Buyback Closing Date.

XXV. For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (Read with clause 17 “DETAILS OF THE STATUTORY APPROVALS”):

- a) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FIIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.

- b) Eligible shareholders who are FII/FPI/FVCI should also enclose a copy of their SEBI registration certificate.
- c) In case the Equity Shares are held on repatriation basis, the Non-Resident Eligible Shareholder shall obtain and enclose approval letter from RBI/a letter from its authorized dealer/ bank confirming that at the time of acquiring the said Equity Shares, payment for the same was made by the non-resident Eligible Shareholder from the appropriate account (e.g. NRE a/c.) as specified by RBI in its approval. In case the Non-Resident Eligible Shareholder is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buyback.
- d) If any of the above stated documents, as applicable, are not enclosed along with the Tender Form, the Equity Shares tendered under the Buyback Offer are liable to be rejected.

THE NON-RECEIPT OF THE LETTER OF OFFER BY, OR ACCIDENTAL OMISSION TO DISPATCH THE LETTER OF OFFER TO ANY PERSON WHO IS ELIGIBLE TO RECEIVE THE SAME TO PARTICIPATE IN THE BUYBACK, SHALL NOT INVALIDATE THE BUYBACK OFFER IN ANY WAY. PLEASE NOTE THAT THE COMPANY SHALL ACCEPT EQUITY SHARES VALIDLY TENDERED FOR THE BUYBACK OFFER ON THE BASIS OF THEIR HOLDING AND ENTITLEMENT AS APPEARING IN THE RECORDS OF THE COMPANY AS ON THE RECORD DATE.

The instructions and authorizations contained in the Tender Form constitute an integral part of the terms of this Buyback.

XXVI. In case of non-receipt of the Letter of Offer and the Tender Form:

A. By Eligible Shareholder holding Demat Shares:

If any Eligible Shareholder(s) holding Demat Shares, who have been sent the Letter of Offer through electronic means wishes to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email id mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number, and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e. www.spapparels.com or from the website of the Registrar to the Buyback or by providing their application in writing on plain paper, signed by all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name/ ID, beneficiary account number and number of Equity Shares tendered for the Buyback. For further process, please refer to Clause 20. XXIII titled "Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form".

Eligible Shareholder(s) who intend to participate in the Buyback using the "plain paper" option as mentioned in this clause are advised to confirm their Entitlement from the Registrar to the Buyback, before participating in the Buyback.

B. By Eligible Shareholder holding Physical Shares:

An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company (i.e. www.spapparels.com) or from the website of the Registrar to the Buyback or the by providing their application in writing on a plain paper signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favour of the Company. The transfer Form (SH-4) can be downloaded from the Company's website (i.e., www.spapparels.com). Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in Clause 20. XXIV), reach the Registrar to the Buyback on or before the Buyback Closing Date i.e., [•] by 5.00 pm (IST). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar to the Buyback/Company or are not in the same order (although attested), the Company/Registrar to the Buyback shall have a right to reject such applications. For further process, please refer to Clause 20.

Please note that Eligible Shareholder(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures in case of Equity Shares held in physical form) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by the Designated Stock Exchange before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Eligible Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement.

The participation of the Eligible Shareholders in the Buyback is entirely at the discretion of the Eligible Shareholders. The Company does not accept any responsibility for the decision of any Eligible Shareholder to either participate or to not participate in the Buyback. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Eligible Shareholders are advised to adequately safeguard their interest in this regard.

XXVII. **Acceptance of orders:** The Registrar to the Buyback shall provide details of order Acceptance to Clearing Corporation within specified timelines.

XXVIII. **Method of Settlement**

Upon finalization of the basis of acceptance as per Buyback Regulations:

1. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
2. The Company will pay the consideration to the Company's Broker who will transfer the consideration pertaining to the Buyback to the Clearing Corporation's Bank account as per the prescribed schedule. The settlement of fund obligation for Demat Shares shall be affected as per the SEBI circulars and as prescribed by BSE Limited and the Clearing Corporation from time to time. For Demat Shares accepted under the Buyback, such beneficial owners will receive funds pay out in their bank account as provided by the depository system directly to the Clearing Corporation. If such shareholder's bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India ("RBI")/ bank(s), due to any reasons, then the amount payable to the concerned shareholders will be transferred to the Seller Member's settlement bank account for onward transfer to such shareholders.
3. In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Seller Member's settlement accounts for onward transfer to the Eligible Shareholders. For this purpose, the client type details would be collected from the depositories, whereas funds pay-out pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by BSE and the Clearing Corporation from time to time.
4. For the Eligible Shareholder holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
5. In the case of inter-depository, the Clearing Corporation will cancel the excess or unaccepted shares in target depository. The source depository will not be able to release the lien without a release of Inter Depository Tender Offer message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from the Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buyback. Post receiving the IDT message from target depository, source depository will cancel/ release excess or unaccepted block shares in the demat account of the Eligible Shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/ message received from target depository to the extent of accepted bid shares from Eligible Shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
6. The Equity Shares bought back in the dematerialized form would be transferred directly to the demat escrow account of the Company opened for the Buyback ("**Company Demat Account**") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of BSE.
7. Eligible Shareholder will have to ensure that they keep their depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non/partial acceptance of shares under the Buyback. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholder would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities

will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder.

8. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned back to the Eligible Shareholders directly by the Registrar to the Buyback. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
9. The Seller Member(s) would issue contract note for the Equity Shares accepted under the Buyback and return the balance unaccepted Equity Shares to their respective clients/ will unblock the excess unaccepted Equity Shares. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
10. Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member(s) for details of any cost, applicable taxes, charges and expenses (including brokerage), etc. that may be levied by the Seller Member upon the Eligible Shareholders for placing the order to sell the shares on behalf of the shareholders (secondary market transaction). The Buyback consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Buyback and the Company accept no responsibility to bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Seller Member, and such costs will be incurred solely by the Eligible Shareholders.
11. The Equity Shares accepted, bought and lying to the credit of the Company Demat Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

XXIX. Rejection Criteria

The Equity Shares tendered by Eligible Shareholders would be liable to be rejected on the following grounds:

For Eligible Shareholders holding Equity Shares in the dematerialized form if the (a) Shareholder is not an Eligible Shareholder of the Company as on the Record Date; (b) in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form (c) if there is a name mismatch in the demat account of the shareholder and PAN. (d) where there exists any restraint order of a Court/any other competent authority for transfer/disposal/ sale or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

For Eligible Shareholders holding Equity Shares in the physical shares would be liable to be rejected if:

- a) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of the Buyback Closing Date i.e. [●](by 5.p.m.);
- b) If there is any other company's share certificate enclosed with the Tender Form instead of the share certificate of the Company;
- c) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders;
- d) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate;
- e) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar;
- f) If the Share Transfer Form SH-4 is not witnessed; or
- g) Where there exist any restraint order of a Court/ any other competent authority for transfer/ disposal/ sale or where loss of share certificates has been notified to the Company and the duplicate share certificates have not been issued either due to such request being under process as per the provisions of law or otherwise or where the title to the Equity shares is under dispute or otherwise not clear or where any other restraint subsists.

21. NOTE ON TAXATION

Disclosures in this section are based on the opinion obtained by the Company from M/s. ASA & Associates LLP, Chartered Accountants.

THE SUMMARY OF THE INCOME-TAX CONSIDERATION IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF,

WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS. IN VIEW OF THE PARTICULARISED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

1. GENERAL: The Indian tax year runs from April 1 to March 31. The charge of Indian income tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Indian Income Tax Act, 1961 ("ITA"). A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. Certain non-resident individuals, being a citizen of India are deemed to be resident in India upon triggering of certain conditions. Deemed residents would be liable to pay tax in India only on their Indian sourced income or income from business or professional controlled in India.

In case of shares of a Company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the "situs" of the shares of the Company would be in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard.

A non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement ("DTAA") as modified by the Multilateral Instrument ("MLI"), if the same is applicable to the relevant DTAA between India and the respective country of which the said non-resident shareholder is tax resident subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the ITA as well as satisfying the relevant conditions under the respective DTAA including anti-abuse measures under the MLI, if applicable. The summary of direct tax implications on buyback of equity shares listed on the stock exchanges in India is set out below. All references to equity shares in this memorandum refer to equity shares listed on the stock exchanges in India unless stated otherwise.

2. CLASSIFICATION OF SHAREHOLDERS: Section 6 of the ITA, determines the residential status of an assessee. Accordingly, shareholders can be classified broadly in categories as mentioned below:

1. Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI), Firm, LLP
- Others (corporate bodies):
 - Company
 - Other than Company

2. Deemed Resident Shareholder — an individual being a citizen of India who is not liable to tax in any other country or territory by reason of domicile, residence or any other criteria of similar nature and has total income other than foreign sourced income exceeding Rs. 15 lakhs during the tax year.

3. Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others

- Company
- Other than Company

3. INCOME TAX PROVISIONS IN RESPECT OF BUY BACK OF SHARES LISTED ON THE RECOGNISED STOCK EXCHANGE

a) As per Section 115QA of ITA, listed companies making a public announcement of buyback of shares on or after July 5, 2019 are required to pay an additional tax @ 20%, plus surcharge @ 12% plus health & education cess @ 4% on the distributed income.

Distributed income is defined under Section 115QA to include consideration paid by the company on buyback of shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB of the Income Tax Rules, 1962.

b) The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit thereof shall be claimed by the company or by any other person in respect of the amount of tax so paid.

c) No deduction under any other provision of the ITA shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.

d) Income arising to the shareholders (whether resident or non-resident) on buyback of equity shares is exempt from tax in India under section 10(34A) of the ITA, irrespective of the characterization of the shares, i.e., whether long term or short term or held as investment or stock-in-trade. In case of Non-Resident shareholders, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non-resident shareholder to be claimed in the country of residence in respect of the buy-back tax paid by the company in view of Section 115QA (4) and (5) of the ITA. Non-Resident shareholders need to consult their tax advisors with regard to availability of such tax credit.

4. **TAX DEDUCTION AT SOURCE ("TDS"):** Since there is no provision regarding the TDS in case of buyback, company is not required to deduct any tax at source on consideration payable to Resident shareholders. Given that income arising on account of the buy-back of shares is exempt from tax under Section 10(34A) of ITA, the same would not be subject to tax deduction at source for Non-Resident shareholders.

5. **SECURITIES TRANSACTION TAX ON ACCOUNT OF BUYBACK OF SHARES:** Since the buyback of shares shall take place through the settlement mechanism of the Stock Exchange, securities transaction tax at 0.1% of the value of the transaction will be applicable.

The note sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

Limitations and Restriction on use

The summary of the tax considerations as above is based on the current provisions of the tax laws of India, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

This report has been prepared at the request of the Company solely with reference to paragraph 1 above. It should be shared with Merchant Banker involved in connection with the proposed Buyback of the Company for onward submission of the certificate to SEBI and Stock exchange and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clause (ix) and clause (x) of Schedule I to the Buyback Regulations:

The Board confirms that there are no defaults subsisting in the repayment of deposits accepted either before or after the commencement of the Act, interest payment thereon, redemption of debentures or interest thereon or redemption of preference shares or payment of dividend to any shareholder, or repayment of any term loan or interest payable thereon to any financial institution or banking company.

The Board of Directors of the Company has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed an opinion:

1. That immediately following the date of the Board Meeting i.e. September 21, 2022, there will be no grounds on which the Company could be found unable to pay its debts;
2. That as regards the Company's prospects for the year immediately following the date of the Board Meeting and having regard to Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting; and
3. In forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

This declaration is made and issued by the Board of Directors of the Company in terms of the resolution passed at the meeting held on September 21, 2022.

For and on behalf of the Board of Directors of S.P. Apparels Limited,

Sd/-	Sd/-	Sd/-
Perumal Sundararajan Chairman & Managing Director DIN: 00003380	Sundararajan Latha Executive Director DIN: 00003388	Ms. K Vinodhini, Company Secretary & Compliance Officer Membership No.: A24822

23. AUDITOR'S CERTIFICATE

The text of the Report dated September 22, 2022 received from M/s. ASA & Associates LLP, Chartered Accountants, Statutory Auditors of the Company, addressed to the Board is reproduced below:

Quote

To,
S.P. Apparels Limited
39-A, Extension Street,
Kaikattipudur, Avinashi,
Tirupur, Tamil Nadu, 641654

Re: Statutory Auditor's Report in respect of proposed buyback of equity shares by S.P. Apparels Limited ("the Company") as per Companies Act, 2013, (Act) and in terms of Clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("the Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated September 19, 2022.
2. The Board of Directors of the Company have approved a proposal for buyback of equity share of the Company at its Meeting held on September 21, 2022, in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and the Buyback Regulations. We have been requested by the Management of the Company to provide a report on the accompanying "Statement of Permissible Capital Payment as at March 31, 2022('Annexure A')

(hereinafter referred to as the “Statement”). This Statement has been prepared by the Management, which we have initialled for the purposes of identification only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement of permissible capital payment in compliance with Section 68(2)(c) of the Act, Regulation 4(i) of the Buyback Regulations and the proviso to Regulation 5(i)(b) of the Buyback Regulations and in compliance with the Buyback Regulations, is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

In particular, the board of directors are responsible for the following:

- a) Appropriate determination of the capital payment for buy-back.
- b) to make full inquiry into the affairs and prospects of the Company and to form an opinion as specified in clause (x) of Schedule I of Buyback Regulation and reasonable grounds and that the Company will not, having regards to its state of affairs, will be rendered insolvent within a period of one year from the date of board meeting. The Board of Directors are responsible for ensuring that the Company complies with the requirements of the Act and Buyback Regulation.
- c) A declaration to be signed by at least two directors of the Company to confirm the details stated in para (b) above.

Auditor's Responsibility

4. Pursuant to the requirements of the Act and the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
- i. we have inquired into the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022;
 - ii. the amount of permissible capital payment towards the proposed buy back of equity shares as stated in Annexure A attached herewith, has been determined considering the annual audited standalone and consolidated financial statements as at March 31, 2022, in accordance with Section 68(2)(c) of the Act, Regulation 4(i) of the SEBI Buyback Regulations and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations; and
 - iii. The Board of Directors of the Company, in their Meeting held on September 21, 2022 has formed their opinion as specified in Clause (x) of Schedule I to the SEBI Buyback Regulations, on reasonable grounds that the Company will not, having regard to its state of affairs, be rendered insolvent (as defined in management responsibility above) within a period of one year from the date of board meeting.
5. The annual standalone financial statements referred to in paragraph 4 (i) above, have been audited by us, on which we have issued an unmodified audit opinion in our reports dated May 20, 2022. We conducted our audit of the annual standalone and consolidated financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
6. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the “**Guidance Note**”) and Standards on Auditing specified under Section 143(10) of the Act, in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid buyback.

8. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the applicable criteria mentioned above. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the applicable criteria. Our procedures included the following in relation to the Statement:
- i. Examined authorisation for buy-back from the Articles of Association of the Company;
 - ii. Examined that the amounts of paid-up equity share capital, retained earnings, general reserves and securities premium as mentioned in Statement from the audited standalone and consolidated financial statements for the year ended March 31, 2022 are within permissible limit computed in accordance with section 68(2) of the Act.
 - iii. Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back.
 - iv. Examined that all the shares for buyback are fully paid-up.
 - v. Obtained from Company Secretary a certified copy of the minutes of the meeting of the Board of Directors in which the proposed buy-back was approved and compared the buyback amount with the permissible limit computed in accordance with section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations detailed in the Statement.
 - vi. Examined Directors' declarations for the purpose of buy-back and solvency of the Company;
 - vii. Obtained appropriate representations from the Management of the Company;
 - viii. Obtained from Company Secretary a certified copy of the minutes of the meeting of the Board of Directors in which the proposed buy-back was approved and the Board has formed the opinion as specified in Buyback Regulation on reasonable grounds that the Company will, not having regard to its state of affairs, be rendered insolvent within a period of one year from the date of board meeting.
9. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

Opinion

10. Based on our examination as above, and the information and explanation given to us, we report that:
- i. We have inquired into the state of affairs of the Company in relation to its annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022.
 - ii. The amount of permissible capital payment towards the proposed buy back of equity shares as computed in the Statement attached herewith, as Annexure A, in our view has been properly determined in accordance with Section 68 (2)(c) of the Act, Regulation 4(i) of the SEBI Buyback Regulations and the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations.
 - iii. The Board of Directors of the Company, in their meeting held on September 21, 2022 has formed their opinion as specified in clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds that the Company having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board Resolution dated September 21, 2022, and we are not aware of anything to indicate that the opinion expressed by the directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.

Restriction on use

11. This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buyback of equity shares of the Company as mentioned in paragraph 2 above, (ii) to enable the Board of Directors of the Company to include in the public announcement, Draft Letter of Offer, Letter of Offer and other documents pertaining to buyback to be sent to the shareholders of the Company or to be filed with (a) the Registrar of Companies, Securities and Exchange Board of India, Stock Exchanges and any other regulatory authority as per applicable law in India and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) can be shared with the Merchant Banker involved in connection with the proposed buyback of equity shares of the Company for onward submission to SEBI, Stock Exchanges and / or any other regulatory authority as required under the law in India, and may not be suitable for any other purpose. This report should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For ASA & Associates LLP

Chartered Accountants

Firm's Registration Number: 009571N/50006

Sd/-
D.K. Giridharan
Partner
 Membership No: 028738
 UDIN NO: 22028738ATVDOP1073
 Place: Chennai
 Date: September 22, 2022

Annexure A - Statement of Permissible Capital Payment as at March 31, 2022

Computation of amount of permissible capital payment towards buyback of equity shares in compliance with Section 68(2)(c) of the Companies Act, 2013 ("Act") and Regulation 4(i) and proviso to Regulation 5(i)(b) of the Buyback Regulations, based on annual audited standalone and consolidated financial statements as at and for the year ended March 31, 2022.

(Rs. in ₹ Million)

Particulars		Standalone	Consolidated
Paid up equity capital as at March 31, 2022	(A)	256.93	256.93
Free Reserves as at March 31, 2022:			
- Retained earnings		3,398.31	3,471.56
- Securities Premium		2,519.94	2,519.94
- General reserve		-	-
Total Free Reserves	(B)	5,918.25	5,991.50
Total paid up Equity capital and free reserves	C =(A+B)	6,175.18	6,248.43
Maximum amount permissible for buyback under Section 68 of the Act and Regulation 4(i) of the Buyback Regulations, i.e. 25% of the aggregate total paid up capital and free reserves.	C * 25%	1,543.80	1,562.11
Maximum amount permissible for buyback under the proviso to Regulation 5(i)(b) of the Buyback Regulations, i.e. 10% of the total paid up capital and free reserves	C * 10%	617.52	624.84
Maximum amount permitted by Board Resolution dated September 21, 2022 approving the buyback based on audited standalone and consolidated financial statements for the year ended March 31, 2022		351.00	351.00

Notes:

- The amounts of paid up equity capital and free reserves as at March 31, 2022 have been extracted from the annual audited financial statements (standalone and consolidated) of the Company as at and for the year ended March 31, 2022.
- The Company is in compliance with Section 68(2)(c) of the Companies Act 2013, Regulation 4(i) of the Buyback Regulations and the proviso to Regulation 5(i)(b) of the Buyback Regulations and in compliance with the Buyback Regulations.

For and on behalf of Board of Directors of **S.P. Apparels Limited**

Sd/-
 P.Sundararajan
 Chairman & Managing Director
 DIN:00003380
 Date: September 21, 2022

Unquote

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Registered Office of the Company at 39-A, Extension Street, Kaikattipudur, Avinashi, Tirupur, Tamil Nadu, 641654 between 10.00 a.m. to 5.00 p.m. on all working days (i.e. Monday to Friday and not being a public holiday) during the Offer Period:

1. Certificate of Incorporation of the Company;
2. Memorandum and Articles of Association of the Company;
3. Copy of annual reports of the Company for the last three financial years viz. March 31, 2022, 2021 and 2020;
4. Copy of the resolution passed by the Board of Directors at their meeting held on September 21, 2022 approving the proposal of the Buyback;
5. Report dated September 22, 2022 received from M/s. ASA & Associates, Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (xi) of Schedule I of the Buyback Regulations.
6. Copy of Public Announcement dated September 22, 2022 published in the newspapers on September 23, 2022 regarding Buyback.
7. Copy of Declaration of Solvency and an affidavit verifying the same as per Form SH-9 of the Companies (Share Capital and Debentures) Rules, 2014.
8. Certificate from M/s. ASA & Associates, Chartered Accountants, dated September 22, 2022 certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the Buyback Regulations.
9. Copy of Escrow Agreement dated September 21, 2022, between S.P. Apparels Limited, Motilal Oswal Investment Advisors Limited and State Bank of India; and
10. Observations from SEBI on the Draft Letter of Offer issued by its letter no. [●] dated [●].

25. DETAILS OF THE COMPLIANCE OFFICER

The Board at their meeting held on September 21, 2022 appointed Ms. K. Vinodhini, Company Secretary and Compliance Officer of the Company, as the compliance officer for the purpose of the Buyback ("**Compliance Officer**"). Investors may contact the Compliance Officer for any clarifications or to address their grievances, if any, during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays till the closure of the Buyback, at the following address:

Company Secretary and Compliance Officer: Ms. K. Vinodhini

S.P. Apparels Limited

39-A, Extension Street, Kaikattipudur,
Avinashi, Tirupur, Tamil Nadu, 641654.

Tel: (+91) 4296 714000; **Facsimile:** (+91) 4296-714280;

Website: www.spapparels.com;

Email: csoffice@spapparels.com;


CIN: L18101TZ2005PLC012295

26. DETAILS OF THE REMEDIES AVAILABLE TO THE EQUITY SHAREHOLDERS/ BENEFICIAL OWNERS

- I. In case of any grievances relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit, etc.), the Eligible Shareholders can approach the Compliance Officer of the Company and/or the Manager to the Buyback and/ or Registrar to the Buyback for redressal.
- II. If the Company makes any default in complying with the provisions of Section 68, 69 and 70 of the Companies Act or any rules made there-under, in relation to the Buyback, the Company or any officer of the Company who is in default shall be punishable with imprisonment for a term and its limit, or with a fine and its limit or with both in terms of the Companies Act, as the case may be.
- III. **The address of the concerned office of the Registrar of Companies is as follows:**
Registrar of Companies, Tamil Nadu at Coimbatore
No.7, AGT Business Park, I Floor, Phase II,
Avinashi Road, Civil Aerodrome Post,
Coimbatore- 641014, Tamil Nādu


27. DETAILS OF INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buyback during office hours i.e. 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Registrar to the Buyback  Link Intime India Private Limited	C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra Tel: +91 22 4918 6200 Facsimile: +91 22 4918 6195 Email: spapparels.buyback@linkintime.co.in Website: www.linkintime.co.in
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	Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: INR000004058
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28. DETAILS OF THE MANAGER TO THE BUYBACK

 <p>Motilal Oswal Investment Advisors Limited</p>	<p>Address: Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai- 400 025, Maharashtra</p> <p>Tel. No.: +91 22 7193 4380</p> <p>Email: spal.buyback2022@motilaloswal.com Website: www.motilaloswalgroup.com</p> <p>Contact person: Ritu Sharma/ Kirti Kanoria</p> <p>SEBI Registration No.: INM000011005</p> <p>CIN: U67190MH2006PLC160583</p>
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29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THIS DRAFT LETTER OF OFFER

As per Regulation 24(i)(a) of the Buyback Regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Draft Letter of Offer and confirms that this Draft Letter of Offer contains true, factual and material information and does not contain any misleading information. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on September 21, 2022.

For and on behalf of the Board of Directors of S.P. Apparels Limited

Sd/-	Sd/-	Sd/-
Perumal Sundararajan Chairman & Managing Director DIN: 00003380	Sundararajan Latha Executive Director DIN: 00003388	Ms. K Vinodhini, Company Secretary & Compliance Officer Membership No.: A24822

Date: September 30, 2022

Place: Avinashi

30. ENCLOSURES: OFFER FORM

- I. Tender Form (for Eligible Shareholders holding Equity Shares in dematerialised form).
- II. Tender Form (for Eligible Shareholders holding Equity Shares in physical form) with share transfer form (i.e. Form SH-4).

TENDER FORMS

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR ELIGIBLE SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM)

Bid Number:

Date:

BUYBACK OPENS ON		[●].[●]	
BUYBACK CLOSES ON		[●].[●]	
For Registrar / Collection Centre use			
Inward No.		Date	
Status (please tick appropriate box)			
<input type="checkbox"/>	Individual	<input type="checkbox"/>	FII/FPI
<input type="checkbox"/>	Foreign Co	<input type="checkbox"/>	Insurance Co
<input type="checkbox"/>	Body Corporate	<input type="checkbox"/>	NRI/OCB
<input type="checkbox"/>	VCF	<input type="checkbox"/>	FVCI
<input type="checkbox"/>		<input type="checkbox"/>	Bank/FI
<input type="checkbox"/>		<input type="checkbox"/>	Pension/PF
<input type="checkbox"/>		<input type="checkbox"/>	Partnership/LLP
<input type="checkbox"/>		<input type="checkbox"/>	Others (Specify)
India Tax Residency Status: Please tick appropriate box			
<input type="checkbox"/>	Resident in India	<input type="checkbox"/>	Non-Resident in India
<input type="checkbox"/>		<input type="checkbox"/>	Resident of _____ (shareholder to fill in country of residence)
Route of Investment (For NR Shareholders only)			
<input type="checkbox"/>	Portfolio Investment Scheme		<input type="checkbox"/>
<input type="checkbox"/>			Foreign Investment Scheme

To,
The Board of Directors,
S.P. Apparels Limited,
C/o Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India.

Dear Sirs,

Sub: Letter of Offer dated [●], in relation to the Buyback of up to 6,00,000 (Six Lakh) fully paid-up Equity Shares of face value of ₹ 10 (Rupee Ten Only) each of S.P. Apparels Limited (the "Company") at a price of ₹ 585/- (Rupees Five Hundred and Eighty Five Only) per Equity Share ("Buyback Price"), payable in cash.

1. I / We (having read and understood the Letter of Offer dated [●]) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
2. I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
3. I / We hereby affirm that the Equity Shares comprised in this tender offer are offered for the Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
4. I / We declare that there are no restraints / injunctions or other order(s) / covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for the Buyback and that I / we am / are legally entitled to tender the Equity Shares for the Buyback.
5. I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named shareholder.
6. I / We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/authorized dealers/tax advisors appropriately.
7. I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc., whenever called for.
8. I / We agree that the consideration for the accepted Shares will be paid to the Seller Member as per secondary market mechanism.
9. I / We agree that the excess demat Equity Shares or unaccepted demat Shares, if any, tendered would be returned to the Seller Member by Clearing Corporation in pay-out.
10. I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
11. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, and the rules made thereunder, the Buyback Regulations and the extant applicable foreign exchange regulations.
12. Applicable for all Non-Resident Shareholders only:
 - a. I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of Equity Shares by me / us.
 - b. I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any, and to the extent required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999, as amended ("FEMA") and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA and any other rules, regulations and guidelines, in regard to remittance of funds outside India.
13. Non-Resident Shareholders (including NRIs, OCBs, FPI, Foreign Nationals and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e., number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e., "S.P. Apparels Limited" and the price at which the Equity Shares are being transferred i.e., "Price determined in accordance with the Buyback Regulations" duly signed by the Shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
14. Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date (October 7, 2022)	[●]	[●]
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)	[●]	[●]
Number of Equity Shares offered for Buyback (including Additional Shares, if any)	[●]	[●]

Note: Eligible Shareholder also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of Clause 19 and 20 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgement Slip: S.P. APPARELS LIMITED BUYBACK 2022
(to be filled by the Eligible Shareholder) (subject to verification)

DP ID		Client ID	
Received from Mr./Ms./Mrs			
Form of Acceptance-cum-Acknowledgement, Original TRS along with:			
No. of Equity Shares offered for Buyback (In Figures)		(in words)	
Please quote Client ID No. & DP No. for all future correspondence		Stamp of Broker	

15. Details of Account with Depository Participant (DP):

Name of the Depository (tick whichever is applicable)		NSDL		CDSL
Name of the Depository Participant				
DP ID No.				
Client ID No. with the DP				

11. Eligible Shareholders Details:

Particulars	First/Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Holder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. of the Sole/First Equity Shareholder			Email id of the Sole/First Equity Shareholder	

*Non-individuals must affix rubber stamp and sign under valid authority. The relevant authorisation should be enclosed with the application form submitted

INSTRUCTIONS

- The Buyback will open on [●] and close on [●].
 - This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
 - Eligible Shareholders who desire to tender their Equity Shares in the dematerialized form under the Buyback would have to do so through their respective Seller Member by indicating the details of Equity Shares they intend to tender under the Buyback.
 - The Equity Shares tendered in the Buyback shall be rejected if (i) the shareholder is not a shareholder of the Company as on the Record Date; or (ii) if there is a name or PAN mismatch in the demat account of the shareholder; (iii) if the Eligible Shareholder has made a duplicate bid, or (iv) in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding shares in physical form as on the Record Date and have placed their bid in dematerialized form.
 - Eligible Shareholders may submit their duly filled Tender Form to the office of Registrar to the Buyback Offer (as mentioned in clause 18 of the Letter of Offer) only post placing the bid via the Seller Member.
 - In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered Shareholder is still incomplete, then such entity along with the Tender Form should file a copy of the following documents: (i) Approval from the appropriate authority for such merger; (ii) The scheme of merger; and (iii) The requisite form filed with MCA intimating the merger.
 - The Buyback shall be rejected for demat shareholders in case of receipt of the completed Tender Form and other documents but non-receipt of Equity Shares in the special account of the Clearing Corporation or a non-receipt of valid bid in the exchange bidding system.**
 - The Eligible 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 the Buyback being on a proportionate basis in terms of the Ratio of Buyback. Further, Eligible Shareholders will have to ensure that they keep the bank account attached with the DP account active and updated to receive credit remittance due to acceptance of Buyback of shares by the Company.
- In case of non-receipt of the Letter of Offer, Eligible Shareholders holding Equity Shares may participate in the Buyback by providing their application in plain paper in writing signed by all Eligible Shareholders (in case of joint holding), stating name and address of the Eligible Shareholder(s), number of Equity Shares held as on the Record Date, Client ID number, DP Name, DP ID, beneficiary account number and number of Equity Shares tendered for the Buyback
- Eligible Shareholders to whom the Buyback offer is made are free to tender Equity Shares to the extent of their Buyback Entitlement in whole or in part or in excess of their entitlement, but not exceeding their holding as on Record Date.
 - For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to Clause 20 of the Letter of Offer.
 - By agreeing to participate in the Buyback the Non-resident Shareholders give the Company the unconditional and irrevocable authority and power to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
 - Non-Resident Shareholders must obtain all requisite approvals required to tender the Equity Shares held by them in this Buyback.
 - All documents sent by Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
 - Eligible Shareholders have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as "Buyback", ISIN, Quantity of shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that Equity Shares can be tendered for Buyback.
 - For the Eligible Shareholders holding Equity Shares in demat form, the Tender Form and TRS is not required to be submitted to the Company, Manager or the Registrar. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Buyback shall be deemed to have been accepted for the Eligible Shareholders holding Equity Shares in dematerialized form.**

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

Tear along this line

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR CLIENT ID AND DP ID:

Investor Service Centre: S.P. APPARELS LIMITED BUYBACK 2022

Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200, Facsimile: +91 22 4918 6195, Website: www.linkintime.co.in, Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: Email: [●]

CIN: U67190MH1999PTC118368

TENDER FORMS

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT (FOR ELIGIBLE SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM)

Bid Number:

Date:

BUYBACK OPENS ON		[●]	
BUYBACK CLOSES ON		[●]	
For Registrar / Collection Centre use			
Inward No.	Date	Stamp	
Status (please tick appropriate box)			
<input type="checkbox"/> Individual	<input type="checkbox"/> FII/FPI	<input type="checkbox"/> Insurance Co	
<input type="checkbox"/> Foreign Co	<input type="checkbox"/> NRI/OCB	<input type="checkbox"/> FVCI	
<input type="checkbox"/> Body Corporate	<input type="checkbox"/> Bank/FI	<input type="checkbox"/> Pension/PF	
<input type="checkbox"/> VCF	<input type="checkbox"/> Partnership/LLP	<input type="checkbox"/> Others (Specify)	
India Tax Residency Status: Please tick appropriate box			
<input type="checkbox"/> Resident in India	<input type="checkbox"/> Non-Resident in India	Resident of _____ (Shareholder to fill in country of residence)	
Route of Investment (For NR Shareholders only): Please tick appropriate Box			
<input type="checkbox"/> Portfolio Investment Scheme		<input type="checkbox"/> Foreign Investment Scheme	

To,
The Board of Directors,
S.P. Apparels Limited,
C/o Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083,
Maharashtra, India

Dear Sirs,

Sub: Letter of Offer dated [●], in relation to the Buyback of up to 600000 (Six Lakh) fully paid-up Equity Shares of face value of ₹ 10 (Rupee Ten Only) each of S.P. Apparels Limited (the "Company") at a price of ₹ 585/- (Rupees Five Hundred and Eighty Five Only) per Equity Share ("Buyback Price"), payable in cash.

- I / We (having read and understood the Letter of Offer dated [●]) hereby tender / offer my / our Equity Shares in response to the Buyback on the terms and conditions set out below and in the Letter of Offer.
- I / We authorise the Company to Buyback the Equity Shares offered (as mentioned below) and to issue instruction(s) to the Registrar to the Buyback to extinguish the Equity Shares.
- I / We hereby affirm that the Equity Shares comprised in this tender / offer are offered for Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- I / We declare that there are no restraints / injunctions or other order(s) / covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for Buyback and that I / we am / are legally entitled to tender the Equity Shares for the Buyback.
- I / We agree that the consideration for the accepted Shares will be paid as per secondary market mechanism.
- I / We acknowledge that the responsibility to discharge the tax due on any gains arising on buy-back is on me / us. I / We agree to compute gains on this transaction and immediately pay applicable taxes in India and file tax return in consultation with our custodians/ authorized dealers/ tax advisors appropriately.
- I / We undertake to indemnify the Company if any tax demand is raised on the Company on account of gains arising to me / us on buyback of shares. I / We also undertake to provide the Company, the relevant details in respect of the taxability / non-taxability of the proceeds arising on buyback of shares by the Company, copy of tax return filed in India, evidence of the tax paid etc.
- I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me / us.
- I / We agree that the Company is not obliged to accept any Equity Shares offered for Buyback where loss of share certificates has been notified to the Company.
- I / We agree that the Company will pay the Buyback Price only after due verification of the validity of the documents and that the consideration may be paid to the first named Eligible Shareholder.
- I / We authorize the Company to split the Share Certificate and issue new consolidated Share Certificate for the unaccepted Equity shares in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback.
- I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Companies Act, the Buyback Regulations and any other applicable laws.
- Applicable for all Non-Resident Shareholders only:
 - I / We undertake to pay income taxes in India on any income arising on such Buyback accordance with prevailing income tax laws in India. I / We also undertake to indemnify the Company against any income tax liability on any income earned on such Buyback of Equity Shares by me / us.
 - I / We, being a Non-Resident Shareholder, agree to obtain and submit all necessary approvals, if any, and to the extent required from the concerned authorities including approvals from the Reserve Bank of India ("RBI") under Foreign Exchange Management Act, 1999, as amended ("FEMA") and the rules and regulations framed there under, for tendering Equity Shares in the Buyback, and also undertake to comply with the reporting requirements, if applicable, under the FEMA and any other rules, regulations and guidelines, in regard to remittance of funds outside India.
- Non-Resident Shareholders (including NRIs, OCBs, FPI, Foreign Nationals and FIIs) are requested to enclose a consent letter indicating the details of transfer i.e., number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e., "S.P. Apparels Limited" and the price at which the Equity Shares are being transferred i.e., "Price determined in accordance with the Buyback Regulations" duly signed by the Shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
- Details of Equity Shares held and tendered / offered for Buyback:

Particulars	In Figures	In Words
Number of Equity Shares held as on Record Date October 7 , 2022	[●]	[●]
Number of Equity Shares Entitled for Buyback (Buyback Entitlement)	[●]	[●]
Number of Equity Shares offered for Buyback (including Additional shares, if any)	[●]	[●]

Note: Eligible Shareholders also have the option of tendering Additional Equity Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. The acceptance of any Equity Shares tendered in excess of the Buyback Entitlement by the Eligible Shareholder shall be in terms of Clause 19 and 20 of the Letter of Offer. Equity Shares tendered by any Eligible Shareholder over and above the number of Equity Shares held by such Eligible Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.

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Acknowledgement Slip: S.P. APPARELS LIMITED BUYBACK 2022
(to be filled by the Eligible Shareholder) (subject to verification)

DP ID	Client ID
Received from Mr./Ms./Mrs	
Form of Acceptance-cum-Acknowledgement, Original TRS along with:	
No. of Equity Shares offered for Buyback (In Figures)	(in words)
Please quote Client ID No. & DP No. for all future correspondence	
Stamp of Broker	

16. Details of Share Certificate(s) enclosed:

Total No. of Share Certificate(s) Submitted:

Sr. No.	Folio No.	Share Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
10					
2					
3					
4					
Total					

In case the number of folios and share certificate(s) enclosed exceed 4 nos., Please attach a separate sheet giving details in the same format as above

17. Details of the bank account of the sole or first Eligible Shareholder to be incorporated in the consideration warrant (to be mandatorily filled):

Name of the Bank	Branch and City	IFSC and MICR Code	Account Number (indicate type of account)

18. Details of other Documents (Please ✓ as appropriate, if applicable) enclosed

	Power of Attorney		Corporate Authorization
	Succession Certificate		Previous RBI approvals for acquiring the Equity Shares of S.P. Apparels Limited hereby tendered in the Buyback
	Self-attested copy of PAN Card		TRS
	Death Certificate		Others (please specify)

19. Eligible Shareholders' Details:

Particulars	First/Sole Holder	Joint Holder 10	Joint Holder 2	Joint Holder 3
Full Name(s) Of the Eligible Shareholder				
Signature(s)*				
PAN No.				
Address of the Sole/First Equity Shareholder				
Telephone No. of the Sole/First Equity Shareholder			Email id of the Sole/First Equity Shareholder	

* Non-individual Shareholders must affix rubber stamp and sign. The relevant authorisation should be enclosed with the tender form submitted.

Instructions:

- The Buyback will open on [●] and close on [●].
- This Tender Form has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Tender Form.
- Eligible Shareholders who wish to tender their Equity Shares in response to this Buyback should deliver the following documents so as to reach before the close of business hours to the Registrar to the Buyback (as mentioned in the Letter of Offer) on or before [●] by 5.00 PM, only after the placement of a valid Bid: (i) The relevant Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares; (ii) Original Equity Share certificates; (iii) Self attested copy of the Permanent Account Number (PAN) Card; (iv) Valid transfer form(s) (Form SH-4) duly filled and signed by the transferors (i.e. by all registered Shareholders in same order and as per the specimen signatures registered with the Company/Registrar of the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company. Any other relevant documents such as (but not limited to) (i) Duly attested Power of Attorney if any person other than the Shareholder has signed the relevant Tender Form; (ii) Notarized copy of death certificate and succession certificate or probated/ will, as applicable, if the original Shareholder has deceased; (iii) Necessary corporate Authorizations, such as board resolutions etc., in case of Companies etc.
- Eligible Shareholders should also provide all relevant documents in addition to the above documents, which include but are not limited to: (i) Duly attested power of attorney registered with the Registrar & transfer Agent of the Company, if any person other than the Eligible Shareholder has signed the relevant Tender Form; (ii) Duly attested death certificate / succession certificate in case any original Eligible Shareholder is deceased; (iii) Necessary corporate authorizations, such as Board Resolutions etc., in case of companies; and (iv) if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhaar Card, Voter Identity Card or Passport.
- In case any registered entity that has merged with another entity and the merger has been approved and has come into effect but the process of getting the successor company as the registered shareholder is still incomplete, then such entity along with the Tender Form shall file a copy of (i) approval from the appropriate authority for such merger; (ii) the scheme of merger; and (iii) the requisite form filed with MCA intimating the merger.
- Eligible Shareholders to whom the Buyback offer is being made are free to tender Equity Shares to the extent of their entitlement in whole or in part or in excess of their entitlement, but not exceeding the number of Equity Shares held by them as on Record Date.
- All documents sent by the Eligible Shareholder/ Seller Member/ custodian will be at their own risk and the Eligible Shareholder/ Seller Member/ custodian is advised to adequately safeguard their interests in this regard.
- For the procedure to be followed by Equity Shareholders for tendering in the Buyback, please refer to clause 20 of the Letter of Offer.
- All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other Company's equity share certificate enclosed with the Tender Form instead of the Equity Share certificate of the Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Buyback does not receive the Equity Share certificate; (iv) In case the signature on the Tender Form and Form SH-4 doesn't match as per the specimen signature recorded with Company or Registrar to the Buyback and (v) the documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar to the Buyback on or before [●] by 5:00 p.m. Indian Standard Time;.
- The Equity Shares tendered in the Buy-Back shall be rejected for the following reasons in addition to the point number 9 mentioned above (i) if the Shareholder is not a Eligible Shareholder of the Company on the Record Date; (ii) if there is a name mismatch in the share certificate of the Shareholder; or (iii) if the Eligible Shareholder has made a duplicate bid.
- By agreeing to participate in the Buyback the Non-Resident Shareholders or NRI give the Company the authority to make, sign, execute, deliver, acknowledge and perform all applications to file regulatory reporting's, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Company for such regulatory reporting, if required by the Company.
- Non-Resident Shareholders must obtain all requisite approvals required to tender the Equity Shares held by them in this Buyback.

All capitalised items not defined herein shall have the meaning ascribed to them in the Letter of Offer.

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ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUYBACK, IF ANY, SHOULD BE ADDRESSED TO REGISTRAR TO THE BUYBACK AT THE FOLLOWING ADDRESS QUOTING YOUR FOLIO NO.:

Investor Service Centre: S.P. APPARELS LIMITED BUYBACK 2022

Link Intime India Private Limited C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Tel: +91 22 4918 6200, Facsimile: +91 22 4918 6195, Website: www.linkintime.co.in, Contact Person: Mr. Sumeet Deshpande SEBI Registration No.: Email: spapparels.buyback@linkintime.co.in
CIN: U67190MH1999PTC118368

FORM NO. SH-4 - SECURITIES TRANSFER FORM

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

Date of Execution: ____ / ____ / 2022

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

CIN:	L	1	0	8	1	0	0	1	0	T	Z	2	0	0	5	P	L	C	0	1	0
-------------	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

Name of Company (in full)	:	S.P. Apparels Limited
Name of the Stock Exchange where the company is listed, (if any)	:	National Stock Exchange of India Limited and BSE Limited

DESCRIPTION OF SECURITIES:

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

No. of Securities being Transferred		Consideration received (₹)	
In Figures	In words	In words	In Figures

Distinctive Number	From	
	To	
Corresponding Certificate Nos.		

	Transferor's Particulars
Registered Folio Number:	

Name(s) in full and PAN (attach copy of pan card)	Seller's Signature (s)
1.	
2.	
3.	

I hereby confirm that the transferor has signed before me.

Signature of the Witness	:	
Name of the Witness	:	
Address of the Witness	:	
Pin code	:	

Transferee's Particulars

Name in full (1)	Father's/Mother's/Spouse Name (2)	Address & E-mail id Registered & Corporate Office: (3)
S.P. Apparels Limited	Not Applicable	39-A, Extension Street, Kaikattipudur, Avinashi, Tirupur, Tamil Nadu, 6410654 Email: csoffice@spapparels.com
Occupation (4)	Existing Folio No., if any (5)	Signature (6)
Business		

Folio No. of Transferee:	Specimen Signature of Transferee(s)
	1.
Value of Stamp Affixed:	2.
₹	3.

Enclosures:

1. Certificate of Shares or Debentures or Other Securities
2. If no certificate is issued, letter of allotment
3. Copy of PAN Card of all the Transferees (For all listed Cos.)
4. Others, Specify, _____

For Office Use Only	Stamps
Checked by	
Signature Tallied by	
Entered in the Register of Transfer on	
Vide Transfer No.	
Approval Date	
Power of attorney / Probate / Death Certificate / Letter of Administration	
Registered on	

ON THE REVERSE PAGE OF THE CERTIFICATE

Name of the Transferor	Name of the Transferee	Number of Shares	Date of Transfer
Signature of the Authorised Signatory			