

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

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

**OPEN OFFER BY**

Name	Acquirers	Residential Address	Contact Details	Email Address
Vadasseril Chacko Georgekutty	Acquirer 1	Keeyalil Vadasseril, Vettickal PO, Kanayanoor Village, Mulamthuruthy, Vettickal, Ernakulam - 682314, Kerala, India	+91-9048505127	<a href="mailto:ycgeorgek@gmail.com">ycgeorgek@gmail.com</a>
Midhun Ittoop	Acquirer 2	Konuparamban House, Hospital Road, Chalakudi H O, Mukundapuram, Thrissur – 680307, Kerala, India	+91-9746010031	<a href="mailto:ittoops@gmail.com">ittoops@gmail.com</a>
Varghese Mathew	Acquirer 3	Cherakkunnathu, House, Mudavoor, Muvattupuzha, Velloorkunnam (Part), Emakulam, Mudavoor - 686669, Kerala, India	+91-9747201333	<a href="mailto:varghese.mthwl@gmail.com">varghese.mthwl@gmail.com</a>

There is no person acting in concert with the Acquirers for the purpose of this Open Offer.

**FOR THE ATTENTION OF EQUITY PUBLIC SHAREHOLDERS OF  
RICHFIELD FINANCIAL SERVICES LIMITED**

**Corporate Identification Number:** L65999WB1992PLC055224

**Registered Office:** 33, Brabourne Road, 5<sup>th</sup> Floor, Kolkata - 700001, West Bengal, India.

**Contact Details:** 033-22425812 / 033-30230347 / 033-22426208;

**Website:** [www.rfsl.co.in](http://www.rfsl.co.in); **Email Address:** [rfsl.nbfc@gmail.com](mailto:rfsl.nbfc@gmail.com)

**Open Offer for acquisition of up to 9,75,026 (Nine Lakhs Seventy-Five Thousand And Twenty-Six) fully paid-up equity shares of face value of ₹10.00/- (Indian Rupees Ten Only) each (hereinafter referred to as ‘Equity Shares’) of Richfield Financial Services Limited (hereinafter referred to as ‘RFSL’ or the ‘Target Company’), representing 26.00% of the total paid-up Equity Share capital and voting share capital of the Target Company (hereinafter referred to as ‘Open Offer’), by the Acquirers in accordance with Regulation 3 (1) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereto, (hereinafter referred to as ‘SEBI (SAST) Regulations’).**

**Please Note:**

- This Open Offer (term defined below) is being made by the Acquirers, in pursuance of Regulation 3 (1) and Regulation 4 of the SEBI (SAST) Regulations, for substantial acquisition of Equity Shares (term defined below) and voting rights capital accompanied with change in control and management of the Target Company;
- Except of being in receipt of necessary approval, from the Reserve Bank of India, *inter-alia* for change in control and management of the Target Company in pursuance of this Open Offer and purchase of Equity Shares pursuant to the Share Purchase Agreement (term defined below), there are no other statutory approval(s) required by the Acquirers to complete this Open Offer. However, in case, any statutory approval(s) is subjected to being required at a later date, this Open Offer shall be subject to receipt of such approval(s); and necessary applications for such approvals shall be made. For more details regarding the statutory and other approvals for this Open Offer, please refer to the Paragraph 7.7 titled as ‘*Statutory approvals and conditions of the Open Offer*’ at page 22 of this Draft Letter of Offer;
- If there is any upward revision in the Open Offer Price (term defined below) and/ or the Open Offer Size (term defined below) at any time up to one (1) working day prior to commencement of the Tendering Period i.e., Friday, 06 August, 2021, in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement (term defined below) in the same newspapers where the original Detailed Public Statement (term defined below) had appeared. If the Open Offer is withdrawn pursuant to Regulation 23 of the SEBI (SAST) Regulations, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the Detailed Public Statement had appeared;
- This is not a competitive offer as per Regulation 20 of the SEBI (SAST) Regulations;**
- If there is a competitive offer, then the Open Offer under all subsisting bids shall open and close on the same date;**
- This Open Offer is not subject to a minimum level of acceptance by the Equity Public Shareholders (term defined below) of the Target Company and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations;
- Equity Public Shareholders, who have accepted this Open Offer by tendering the requisite documents in terms of the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, and the Letter of Offer (term defined below), shall not be entitled to withdraw such acceptance during the Tendering Period (term defined below);
- The procedure for acceptance is set out in Paragraph 8 under titled as ‘*Procedure for Acceptance and Settlement of the Open Offer*’ at page 23 of this Draft Letter of Offer;
- The Public Announcement, the Detailed Public Statement, and the Draft Letter of Offer would also be available on Securities and Exchange Board of India at website at [www.sebi.gov.in](http://www.sebi.gov.in);

**CAPITALSQUARE**<sup>®</sup>

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**MANAGER TO THE OFFER**

**CAPITALSQUARE ADVISORS PRIVATE LIMITED**

208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No 11, CTS 70, Andheri (East), Mumbai 400 093, Maharashtra, India.

**Phone No:** +91-22-66849999/ +91 98742 83532

**Email:** [tanmoy.banerjee@capitalsquare.in](mailto:tanmoy.banerjee@capitalsquare.in)/[mb@capitalsquare.in](mailto:mb@capitalsquare.in)

**Website:** [www.capitalsquare.in](http://www.capitalsquare.in)

**Contact Person:** Mr. Tanmoy Banerjee

**SEBI Registration Number:** INM000012219

**REGISTRAR TO THE OFFER**

**PURVA SHAREREGISTRY (INDIA) PRIVATE LIMITED**

**SEBI REGN. NO.** INR000001112

Unit No. 9, Ground Floor, Shiv Shakti Ind. Estt, J. R. Boricha Marg, Lower Parel East, Mumbai – 400 011, Maharashtra, India

**Phone No:** +91-22-2301 2518 / 8261

**E-mail:** [support@purvashare.com](mailto:support@purvashare.com)

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

**Contact Person:** Ms. Deepali Dhuri

**SEBI Registration Number:** INR000001112

**OPEN OFFER OPENING DATE: MONDAY, 09 AUGUST, 2021**

**OPEN OFFER CLOSING DATE: TUESDAY, 24 AUGUST, 2021**

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

Tentative Schedule of Activities	Date	Day
Date of the Public Announcement	16 June, 2021	Wednesday
Last date of publication of Detailed Public Statement in newspapers	23 June, 2021	Wednesday
Last date of filing of the Draft Letter of Offer with SEBI	30 June, 2021	Wednesday
Last date of a Competing Offer	14 July, 2021	Wednesday
Last date by which SEBI's observations will be received	22 July, 2021	Thursday
Identified Date*	26 July, 2021	Monday
Date by which the Letter of Offer will be dispatched to the shareholders	02 August, 2021	Monday
Last date by which Independent Directors Committee of the Target Company shall give its recommendation	05 August, 2021	Thursday
Last date for revising the Open Offer Price / Open Offer Size	06 August, 2021	Friday
Open Offer Opening Public Announcement	06 August, 2021	Friday
Date of commencement of tendering period (Open Offer Opening Date)	09 August, 2021	Monday
Date of closing of tendering period (Open Offer Closing Date)	24 August, 2021	Tuesday
Date by which all requirement including payment of consideration would be completed	07 September, 2021	Tuesday

*Note:*

*The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to be changed as this Open Offer is subject to getting requisite approval from Reserve Bank of India and Securities and Exchange Board of India;*

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

*\*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All the owners (registered or unregistered) of the Equity Shares of the Target Company (except the Acquirers and the parties to the Share Purchase Agreement) are eligible to participate in this Open Offer any time before the closure of this Open Offer.*

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

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

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

1. The Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement, including: (a) receipt of all statutory approvals as set out in paragraph titled as '*Statutory Approvals and conditions of the Open Offer*' at page number 22 of this Draft Letter of Offer and those which become applicable prior to the completion of this Open Offer; (b) the satisfaction or waiver of the various conditions under the Share Purchase Agreement, including those conditions set out in paragraph 3.1.9 at page 9 of this Draft Letter of Offer, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the Share Purchase Agreement, then the Underlying Transaction may be terminated;
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

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

1. This Open Offer is a mandatory open offer to acquire up to 26.00% of the total Equity Share capital and Voting Share Capital of the Target Company from the Equity Public Shareholders. In the case of oversubscription in this Open Offer, as per the SEBI (SAST) Regulations, acceptance would be determined on a proportionate basis, and hence there is no certainty that all the Equity Shares tendered by the Equity Public Shareholders in this Open Offer will be accepted;
2. As on the date of this Draft Letter of Offer, to the best of knowledge and belief of the Acquirers, except of being in receipt of the approval from the Reserve Bank of India in terms of Paragraph 61 of Chapter – IX of Section III of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016; there are no other statutory approvals required to acquire the Equity Shares of the Target Company that are validly tendered pursuant to this Open Offer or to complete this Open Offer, for further details kindly refer to Paragraph 7.7. titled as '*Statutory Approvals and conditions of the Open Offer*' at page number 22 of this Draft

Letter of Offer. However, if any other statutory approvals are required prior to the completion of this Open Offer, then this Open Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date;

3. In the event that either: (a) regulatory approval is not received in a timely manner, or (b) there is any litigation leading to stay on this Open Offer, or (c) SEBI (term defined below) instructs the Acquirers not to proceed with this Open Offer, then this Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, payment of consideration to the Public Equity Shareholders of the Target Company whose Equity Shares have been accepted in this Open Offer as well as the return of the Equity Shares not accepted by the Acquirers may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 18 (11) of the SEBI (SAST) Regulations, then SEBI may, if satisfied that the non-receipt of approvals was not attributable to any wilful default, negligence, or failure on the part of the Acquirers to diligently pursue such approvals, grant an extension for the purpose of completion of this Open Offer, subject to the Acquirers agreeing to pay interest to the Public Equity Shareholders for the delay beyond 10<sup>th</sup> (Tenth) Working Day from the date of Closure of Tendering Period, as may be specified by SEBI;
4. Public Equity Shareholders should note that the Equity Shares tendered by them and accepted in this Open Offer shall not be entitled to be withdrawn post-acceptance of such during the Tendering Period, even if the acceptance of such Equity Shares under this Open Offer and the payment of consideration gets delayed. The tendered Equity Shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed;
5. This Open Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers. The Acquirers may not be able to proceed with this Open Offer in the event, the approvals are not received in terms of the Regulation 23 of the SEBI (SAST) Regulations. Further delay, if any, in the receipt of these approvals may delay completion of this Open Offer;

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

1. The Acquirers intend to acquire up to 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) Equity Shares, representing 26.00% of the total Equity Share capital and Voting Share Capital of the Target Company, at an offer price of ₹23.00/- (Indian Rupees Twenty-Three only) per Equity Share, payable in cash, under the SEBI (SAST) Regulations. The Target Company does not have any partly paid-up Equity Shares as on the date of this Draft Letter of Offer. The Equity Shares and the documents tendered in this Open Offer will be held in trust by the Registrar to the Offer until the completion of this Open Offer formalities, and the Equity Public Shareholders will not be able to thereafter trade in such Equity Shares. Post this Open Offer, the Acquirers will have significant equity ownership and effective management control over the Target Company, pursuant to Regulation 3 (1) and Regulation 4 of the SEBI (SAST) Regulations;
2. The Acquirers make no assurance with respect to the market price of the Equity Shares during the Open Offer Period and upon the completion of this Open Offer and disclaim any responsibility with respect to any decision by the Equity Public Shareholders on whether or not to participate in this Open Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company;
3. The Acquirers and the Manager to the Offer, accept no responsibility for the statements made otherwise than in the Public Announcement, the Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk;

**The risk factors set forth above, pertain to this Open Offer and are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by an Equity Public Shareholder in this Open Offer. Equity Public Shareholder of the Target Company are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in this Open Offer. Each Equity Public Shareholder of the Target Company, is hereby advised to consult with their legal, financial, tax, investment or other advisors and consultants of their choice, if any, for further risks with respect to each such Equity Public Shareholder's participation in this Open Offer and related transfer of Equity Shares of the Target Company to the Acquirers.**

## **CURRENCY OF PRESENTATION**

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

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### **1. DEFINITIONS AND ABBREVIATIONS**

<b>Abbreviations</b>	<b>Particulars</b>
Acquirer 1	Vadasseril Chacko Georgekutty;
Acquirer 2	Midhun Ittoop;
Acquirer 3	Varghese Mathew;
Board	Board of Directors of the Target Company;
Book Value per Equity Share	Net-Worth / Number of Equity Share;
BSE Limited	BSE Limited;
CDSL	Central Depository Services (India) Limited;
CIN	Corporate Identification Number;
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act, 2013	Companies Act, 1956 and Companies Act, 2013;
The CSE Limited	The Calcutta Stock Exchange Limited;
Depositories	CDSL and NSDL;
DIN	Director Identification Number;
DLoF/ Draft Letter of Offer	This Draft Letter of Offer dated Wednesday, June 23, 2021, filed and submitted with SEBI pursuant to Regulation 16 (1) of the SEBI (SAST) Regulations, for its observations;
DP	Depository Participant;
DPS/ Detailed Public Statement	Detailed Public Statement dated Friday, June 18, 2021, in connection with the Open Offer, published on behalf of the Acquirers on Saturday, June 19, 2021, in the newspapers;
Tendering Period	Monday, 09 August, 2021 to Tuesday, 24 August, 2021;

<b>Abbreviations</b>	<b>Particulars</b>
ECS	Electronic Clearing Service;
EPS	Earnings Per Equity Share;
Escrow Agreement	Escrow Agreement, dated June 16, 2021, entered into between the Acquirers, the Escrow Banker and the Manager to the Offer;
Escrow Account	The escrow account with account number 000405127572 and in the name and style of 'RFSL - OPEN OFFER ESCROW ACCOUNT' opened by the Acquirers with the Escrow Bank, in accordance with the SEBI (SAST) Regulations;
Escrow Amount	The amount aggregating to ₹75,00,000.00/- (Rupees Seventy-Five Lakhs Only) maintained by the Acquirers with the Escrow Banker, in accordance with the Escrow Agreement;
Escrow Banker	ICICI Bank Limited;
Equity Public Shareholder	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirers, the promoters and members of the promoter group of the Target Company, and other persons deemed to be acting in concert with the Acquirers;
Equity Shares	The fully paid-up equity shares of the Target Company of face value of ₹10.00/- (Indian Rupees Ten only) each;
Equity Share Capital	The fully paid-up Equity Share capital of the Target Company is ₹3,75,01,000/- (Indian Rupees Three Crores Seventy-Five Lakhs and One Thousand Only) comprising of 37,50,100 (Thirty-Seven Lakhs Fifty Thousand One Hundred) Equity Shares;
Identified Date	The date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent;
IFSC	Indian Financial System Code;
LoO	Letter of Offer;
Manager to the Offer	CapitalSquare Advisors Private Limited;
Maximum Open Offer Consideration	The total funding requirement for this Offer, assuming full acceptance of this Open Offer, i.e. ₹2,24,25,598.00/- (Indian Rupees Two Crores Twenty-Four Lakhs Twenty-Five Thousand Five Hundred and Ninety-Eight Only);
NRI/s	Non - Resident Indians;
NSDL	National Securities Depository Limited;
Open Offer	Open Offer being made by the Acquirers for acquisition of up to 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) Equity Shares, representing 26.00% of the total Equity Share Capital and Voting Share Capital at a price of ₹23.00/- (Indian Rupees Twenty-Three only) per Equity Share, payable in cash;
Open Offer Period	From Wednesday, June 16, 2021 (i.e. date of entering into Memorandum of Understanding between the Acquirers and the Manager to the Offer) to Tuesday, 07 September, 2021 (i.e. date of payment of consideration);
Open Offer Price	An offer price of ₹23.00/- (Indian Rupees Twenty-Three only) per Equity Share;
Open Offer Equity Shares	Up to 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six);
Open Offer Size	Up to 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six), being 26.00% of the total Equity Voting Share Capital;
PA	Public Announcement dated Wednesday, June 16, 2021;
PAT	Profit After Tax;
Persons eligible to participate in this Open Offer	All owners (registered and unregistered) of shares of the Target Company except the Acquirers and parties to the Share Purchase Agreement;
Public Shareholders	All the equity shareholders of the Target Company excluding (a) the shareholders forming a part of the promoter/ promoter group of the Target Company; (b) parties to the Share Purchase Agreement (defined below); and (c) any persons acting in concert or deemed to be acting in concert with the persons set out in (a) and (b)
RBI	Reserve Bank of India;
Registrar to the Offer	Purva Shareregistry (India) Private Limited;
Return on Net Worth	Profit After Tax/ Net-Worth;
Sale Equity Shares	12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares to the Acquirers constituting 33.05% of the total paid-up Equity Share capital and Voting Share Capital, pursuant to a Share Purchase

Abbreviations	Particulars
	Agreement at a price of ₹21.00/- (Indian Rupees Twenty-One Only) per Equity Share aggregating to ₹2,60,28,219.00/- (Indian Rupees Two Crores Sixty Lakhs Twenty-Eight Thousand Two Hundred and Nineteen Only) forming a part of Share Purchase Agreement;
SCRR	Securities Contract (Regulation) Rules, 1957, as amended;
SEBI	Securities and Exchange Board of India;
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto;
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto;
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof;
Selling Promoter Shareholders/ Promoters	Promoters of the Target Company as per Regulation 31(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) 2015;
Share Purchase Agreement	Share Purchase Agreement dated Wednesday, June 16, 2021 entered amongst the Acquirers and following mentioned selling promoter shareholders and the promoters, namely being: (a) Brain Business Private Limited; (b) Dinkar Commercials Private Limited; (c) Ektaa Tradefin Private Limited; (d) Superdeal Resources Private Limited; (e) R K Kankaria HUF; (f) Rajesh Kumar Kankaria; (g) Rajni Kankaria; (h) Rishabh Kankaria; (i) Ruby Nahar ( <i>Parties aforementioned from point (a) to (i) are hereinafter referred to as 'Selling Promoter Shareholders'</i> ); and (j) Rasila Devi Kankaria; (k) Shobha Devi Kankaria; (l) Damyanti Kankaria; (m) Naresh Kumar Kankaria; (n) Suresh Kumar Kankaria; (o) Sushma Kankaria; (p) Komal Kankaria; (q) Nishkarsh Kankaria; (r) Saloni Kankaria; (s) Shubham Kankaria; (t) Shubhangi Kankaria; and (u) Siddhant Kankaria ( <i>Parties aforementioned from point (j) to (u) are hereinafter referred to as 'Promoters'</i> ) ( <i>All the aforementioned parties, namely being the Selling Promoter Shareholders and the Promoters, are hereinafter collectively referred to as 'Promoters'</i> );
Stock Exchanges	The stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited and The Calcutta Stock Exchange Limited;
Voting Share Capital	The fully diluted equity voting share capital of the Target Company as of the 10 <sup>th</sup> (Tenth) working day from the closure of the Tendering Period of this Open Offer
Target Company/ RFSL	Richfield Financial Services Limited;
Underlying Transaction	The transaction as contemplated under the Share Purchase Agreement;
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

## 2. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT, THE SAME HAS BEEN CLEARED, VETTED, OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE FOR OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY PUBLIC SHAREHOLDERS OF RICHFIELD FINANCIAL SERVICES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THIS OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR THE TARGET COMPANY WHOSE EQUITY SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR THE OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY, AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE-DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER CAPITALSQUARE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED WEDNESDAY, JUNE 23, 2021, TO**

**SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER.”**

### 3. DETAILS OF THIS OPEN OFFER

#### 3.1. Background of the Open Offer

- 3.1.1. This is a mandatory Open Offer, being made by Vadasseril Chacko Georgekutty (Acquirer 1), Midhun Ittoop (Acquirer 2), and Varghese Mathew (Acquirer 3) in pursuance of and in compliance with Regulation 3 (1) and Regulation 4 of the SEBI (SAST) Regulations, to the Equity Public Shareholders of the Target Company, i.e., a company incorporated and duly registered under the Companies Act, 1956 and having its registered office located at 33, Brabourne Road, 5<sup>th</sup> Floor, Kolkata - 700001, West Bengal, India. This Open Offer has triggered upon the execution of the Share Purchase Agreement entered into amongst the Acquirers and the following mentioned selling promoter shareholders and the promoters, namely being: (a) Brain Business Private Limited; (b) Dinkar Commercial Private Limited; (c) Ektaa TradeFin Private Limited; (d) Superdeal Resources Private Limited; (e) R K Kankaria HUF; (f) Rajesh Kumar Kankaria; (g) Rajni Kankaria; (h) Rishabh Kankaria; (i) Ruby Nahar (*Parties aforementioned from point (a) to (i) are hereinafter referred to as ‘Selling Promoter Shareholders’*); and (j) Rasila Devi Kankaria; (k) Shobha Devi Kankaria; (l) Damyanti Kankaria; (m) Naresh Kumar Kankaria; (n) Suresh Kumar Kankaria; (o) Sushma Kankaria; (p) Komal Kankaria; (q) Nishkarsh Kankaria; (r) Saloni Kankaria; (s) Shubham Kankaria; (t) Shubhangi Kankaria; and (u) Siddhant Kankaria (*Parties aforementioned from point (j) to (u) are hereinafter referred to as ‘Promoters’*) (All the aforementioned parties, namely being the Selling Promoter Shareholders and the Promoters, are hereinafter collectively referred to as ‘Promoters’);
- 3.1.2. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 3.1.3. There is/ are no person acting in concert/s with the Acquirers within the meaning of Regulation 2(1) (q) of the SEBI (SAST) Regulations (hereinafter referred to as ‘PAC’);
- 3.1.4. The Acquirers are making an Open Offer to acquire 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) Equity Shares representing 26.00% of total Equity Share capital and Voting Share Capital of the Target Company, at a price of ₹23.00/- (Indian Rupees Twenty-Three Only) per Equity Share aggregating to a total consideration of ₹2,24,25,598.00/- (Indian Rupees Two Crores Twenty-Four Lakhs Twenty-Five Thousand Five Hundred and Ninety-Eight Only), payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, and Letter of Offer;
- 3.1.5. The Acquirers have entered into a Share Purchase Agreement with the present Promoters of the Target Company with an intention to acquire up to 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares, constituting 33.05% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company (hereinafter referred to as ‘Negotiated Price’) for a total consideration of ₹2,60,28,219.00/- (Indian Rupees Two Crores Sixty Lakhs Twenty-Eight Thousand Two Hundred and Nineteen Only), payable in compliance with the terms and conditions scheduled in the Share Purchase Agreement;
- 3.1.6. The details of the all the Selling Promoter Shareholders, who have entered into the Share Purchase Agreement with the Acquirers and the Target Company, are stated hereunder:

Sr. No.	Name, PAN and Address of Selling Promoter Shareholders	Nature	Change s in the names in the past	Part of the Promoter/ Promoter Group	Equity Shares held prior to Share Purchase Agreement	% of Equity Shares
(i)	<b>Brain Business Private Limited</b> Permanent Account Number: AABCB1305K Corporate Identification Number: U51909WB1991PTC053163	Private Limited Company	NA	Yes	4,39,400	11.72%

Sr. No.	Name, PAN and Address of Selling Promoter Shareholders	Nature	Changes in the names in the past	Part of the Promoter/ Promoter Group	Equity Shares held prior to Share Purchase Agreement	% of Equity Shares
	Registered Office situated at 33, Brabourne Road, 5 <sup>th</sup> Floor, PS-Hare Street, Kolkata – 700001, West Bengal, India					
(ii)	<b>Dinkar Commercials Private Limited</b> Permanent Account Number: AABCD0439L Corporate Identification Number: U74999DL1985PTC305615 Registered Office situated at 14/5, Basment Old Rajinder Nagar New Delhi Central – 110060, Delhi, India	Private Limited Company	NA	Yes	3,62,900	9.68%
(iii)	<b>Ektaa Tradefin Private Limited</b> Permanent Account Number: AAACE5683N Corporate Identification Number: U65999WB1993PTC060494 Registered Office situated at 521, Marshall House 33/1 N.S. Road, Kolkata, West Bengal – 700001, India	Private Limited Company	NA	Yes	1,10,000	2.93%
(iv)	<b>Superdeal Resources Private Limited</b> Permanent Account Number: AADCS7472E Corporate Identification Number: U65993WB1993PTC060497 Registered Office situated at 521, Marshall House 33/1 N.S. Road, Kolkata, West Bengal – 700001, India	Private Limited Company	NA	Yes	1,13,300	3.02%
(v)	<b>R K Kankaria (HUF)</b> Permanent Account Number: AACHR7382C Represented through its Karta: Rajesh Kumar Kankaria Office located at E C-90, Sector-1, Salt Lake, Bidhannagar, North 24 Parganas, Kolkata - 700064, West Bengal, India	Hindu Undivided Family	NA	Yes	12,200	0.33%
(vi)	<b>Rajesh Kumar Kankaria</b> Permanent Account Number: AFSPK9586L Resident at E C-90, Sector-1, Salt Lake, Bidhannagar, North 24 Parganas, Kolkata - 700064, West Bengal, India	Individual	NA	Yes	1,01,945	2.72%
(vii)	<b>Rajni Kankaria</b> Permanent Account Number: AFYPK3678R Resident at E C-90, Sector-1, Salt Lake, Bidhannagar, North 24 Parganas, Kolkata - 700064, West Bengal, India	Individual	NA	Yes	85,500	2.28%
(viii)	<b>Rishabh Kankaria</b> Permanent Account Number: ARWPK0711H Resident at E C-90, Sector-1, Salt Lake, Bidhannagar, North 24 Parganas, Kolkata - 700064, West Bengal, India	Individual	NA	Yes	9,294	0.25%



Sr. No.	Name, PAN and Address of Selling Promoter Shareholders	Nature	Change s in the names in the past	Part of the Promoter/ Promoter Group	Equity Shares held prior to Share Purchase Agreement	% of Equity Shares
(ix)	<b>Ruby Nahar</b> Permanent Account Number: ANIPK3276B Resident at E C-90, Sector-1, Salt Lake, Bidhannagar, North 24 Parganas, Kolkata - 700064, West Bengal, India	Individual	NA	Yes	4,900	0.13%
	<b>TOTAL</b>				<b>12,39,439</b>	<b>33.05%</b>

- 3.1.7. Apart as mentioned above, 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares constituting 33.05% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company, which the Acquirers have agreed to acquire pursuant to Share Purchase Agreement, the Acquirers have not acquired any Equity Shares of the Target Company during the 52 (Fifty-Two) week's period prior to the date of the Public Announcement;
- 3.1.8. The Manager to the Offer, CapitalSquare Advisors Private Limited, does not hold any Equity Shares of the Target Company as on the date of this Draft Letter of Offer. The Manager to the Offer further declares and undertakes that, they shall not deal in the Equity Shares of the Target Company on their own account during the Open Offer Period;
- 3.1.9. This Open Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company;
- 3.1.10. The salient features of the Share Purchase Agreement are as follows:
- The Selling Promoter Shareholders are holding 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares, constituting 33.05% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company;
  - The Selling Promoter Shareholders have agreed to sell and the Acquirers have agreed to acquire in aggregate 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares constituting 33.05% of the total paid-up Equity Share capital and Voting Share Capital of the Target Company, at a price of ₹21.00/- (Indian Rupees Twenty-One Only) per Equity Share aggregating to ₹2,60,28,219.00/- (Indian Rupees Two Crores Sixty Lakhs Twenty-Eight Thousand Two Hundred and Nineteen Only) forming a part of Share Purchase Agreement (hereinafter referred to '**Purchase Price**');
  - The Sale Equity Shares are free from all charges, encumbrances, or liens and are not subjects to any lock in period;
  - The aggregate entire purchase consideration for the Sale Equity Shares aggregating to an amount of ₹2,60,28,219.00/- (Indian Rupees Two Crores Sixty Lakhs Twenty-Eight Thousand Two Hundred and Nineteen Only) shall be payable by the Acquirers to the Selling Promoter Shareholders as per the following schedule:
    - A sum equivalent to 15.00% (Fifteen Percent) of the Purchase Price amounting to ₹39,04,233.00/- (Indian Rupees Thirty-Nine Lakhs Four Thousand Two Hundred and Thirty-Three Only) to be remitted as earnest money or deposit upon with the execution of the Share Purchase Agreement;
    - A sum equivalent to 60% (Sixty Percent) of the Purchase Price amounting to ₹1,56,16,931.00/- (Indian Rupees One Crore Fifty-Six Lakhs Sixteen Thousand Nine Hundred and Thirty-One Only) shall be remitted immediately upon receipt of Reserve Bank of India approval for this Open Offer;
    - The balance of 25.00% (Twenty-Five Percent) of the Purchase Price amounting to ₹65,07,055.00/- (Indian Rupees Sixty-Five Lakhs Seven Thousand and Fifty-Five Only) shall be remitted after completion of this Open Offer;

- e. After completion of this Open Offer, the Promoters shall not hold any Equity Shares and Voting Rights Capital in the Target Company; and hence the Promoter Selling Shareholders shall be no longer be the shareholders of the Target Company in any capacity;
  - f. The Selling Promoter Shareholders shall sell, convey, and deliver to the Acquirers, Sale Equity Shares and the Acquirers shall purchase, acquire and accept the said Sale Equity Shares from the Selling Promoter Shareholders;
  - g. The Sale Equity Shares are free from all charges, encumbrances, pledges, liens, attachments, and litigations;
  - h. The Acquirers and the Promoters have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations;
  - i. Non-compliance with any provisions of the SEBI (SAST) Regulations will lead to termination of the Share Purchase Agreement, effecting such sale from being acted upon by the Selling Promoter Shareholders or the Acquirers;
- 3.1.11. The Acquirers, hereby warrant and state that, they have not been prohibited by SEBI from dealing in the securities, in terms of the direction issued under Section 11B of the SEBI Act or under any other Regulations made under the SEBI Act;
- 3.1.12. Apart from 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares proposed to be purchased by the Acquirers, through the Share Purchase Agreement; and in reference to the fact that, as on the date of this Draft Letter of Offer, the Acquirers do not hold any Equity Shares and voting rights of the Target Company; the provisions of Chapter V of SEBI (SAST) Regulations are not applicable to the Acquirers;
- 3.1.13. As per Regulation 26 (6) and Regulation 26 (7) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company is required to constitute a committee of independent directors who would provide written reasoned recommendation on this Open Offer to the Equity Public Shareholders of the Target Company and such recommendations shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspaper where the Detailed Public Statement of this Open Offer was published;

## **3.2. Details of the proposed Open Offer**

- 3.2.1. The Public Announcement to the Equity Public Shareholders of the Target Company was issued on Wednesday, June 16, 2021 by the Manager to the Offer, for and on behalf of the Acquirers. A copy of the said Public Announcement was filed with SEBI, BSE Limited, The Calcutta Stock Exchange Limited and the Target Company on Wednesday, June 16, 2021;
- 3.2.2. In accordance with Regulation 14 (3) of the SEBI (SAST) Regulations, the Detailed Public Statement dated Friday, June 18, 2021, which was published in the following newspapers Saturday, June 19, 2021 in accordance with the Regulation 14 (3) of the SEBI (SAST) Regulations:

<b>Publication</b>	<b>Language</b>	<b>Edition</b>
Financial Express	English	All Editions
Jansatta	Hindi	All Edition
Arthik Lipi	Bengali	Kolkata Edition
Mumbai Lakshadweep	Marathi	Mumbai Edition

- 3.2.3. The Detailed Public Statement is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in); website of BSE at [www.bseindia.com](http://www.bseindia.com); website of the Calcutta Stock Exchange at [www.cse-india.com](http://www.cse-india.com); and the website of Manager to the Offer [www.capitalsquare.in](http://www.capitalsquare.in);
- 3.2.4. The Acquirers have proposed to acquire from the Equity Public Shareholders of the Target Company, 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) Equity Shares, representing 26.00% of the total Equity Share Capital and Voting Share Capital of the Target Company at a price of ₹23.00/- (Indian Rupees Twenty-Three only) per Equity Share, payable in cash, in accordance with Regulation 9 (1) (a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement, and this Draft Letter of Offer;

- 3.2.5. The Target Company doesn't have any partly paid-up Equity Shares. There are no outstanding warrants, or options or similar instrument, which are convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations;
- 3.2.6. The Acquirers will accept all the Equity Shares of the Target Company, that are tendered in valid form in terms of this Open Offer up to a maximum of 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) representing 26.00% of the total Equity Share Capital and Voting Share Capital of the Target Company;
- 3.2.7. Since the date of the Public Announcement to this date of Draft Letter of Offer, the Acquirers have not acquired any Equity Shares of the Target Company;
- 3.2.8. The Acquirers have deposited more than 25.00% (Twenty-Five Percent) of the total consideration payable to the Equity Public Shareholders in pursuance of this Open Offer, in compliance with the Regulation 17;
- 3.2.9. No competing offer has been received as on date of this Draft Letter of Offer;
- 3.2.10. There is no differential pricing in this Open Offer;
- 3.2.11. This Open Offer is not conditional upon any minimum level of acceptance in terms of the Regulation 19 (1) of SEBI (SAST) Regulations and is not a competing offer in terms of the Regulation 20 of SEBI (SAST) Regulations;
- 3.2.12. This Open Offer is not pursuant to any global acquisition resulting in an indirect acquisition of Equity Shares of the Target Company;
- 3.2.13. The Equity Shares of the Target Company will be acquired by the Acquirers free from all liens, charges, and encumbrances together with all rights attached thereto, including the right to all dividends, bonus, and rights offer declared hereafter;
- 3.2.14. Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed CapitalSquare Advisors Private Limited as the Manager to the Offer;
- 3.2.15. As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the public shareholding, on continuous basis for listing. Pursuant to completion of this Open Offer, assuming full acceptance, the public shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR and the SEBI (LODR) Regulations, 2015;
- 3.2.16. Upon completion of this Open Offer, assuming full acceptances in the Open Offer, the Acquirers will hold 22,14,465 (Twenty-Two Lakhs Fourteen Thousand Four Hundred and Sixty-Five) Equity Shares constituting 59.05% of the present issued, subscribed and paid-up Equity Share capital of the Target Company.

### **3.3. Object of the Open Offer**

- 3.3.1. The prime object of this Open Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company;
- 3.3.2. The Acquirers have proposed to continue the existing business of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far;
- 3.3.3. The Acquirers state that, they do not have any plans to dispose-off or otherwise encumber any significant assets of the Target Company in the succeeding 2 (two) years from the date of closure of this Open Offer, except: (a) in the ordinary course of business of the Target Company; and (b) on account of the regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed-off, or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that they shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of Regulation 25 (2) of the SEBI (SAST) Regulations, and subject to the such other provisions of applicable law as may be required;

- 3.3.4. The Acquirers have reserved the right to streamline or restructure, pledge or encumber their holding in the Target Company and/ or the operations, assets, liabilities and/ or the businesses of the Target Company through arrangements, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of the existing contractual or operating arrangements, at a later date in accordance with the relevant applicable laws. Such decisions will be taken in accordance with the procedures set out under the relevant applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances, from time to time;
- 3.3.5. Post-completion of this Open Offer by acquisition of 26.00% of the total Equity Share Capital and Voting Share Capital of the Target Company and pursuant to the transfer of Equity Shares so acquired as contemplated under the Share Purchase Agreement, the Acquirers shall hold majority of the Equity Shares of the Target Company by virtue of which they shall be in a position to exercise effective management and control over the Target Company;
- 3.3.6. Pursuant to this Open Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirers shall become the Promoters of the Target Company and, the Sellers will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

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

##### **4.1. Vadasseril Chacko Georgekutty ('Acquirer 1')**

- 4.1.1. Vadasseril Chacko Georgekutty, s/o Vadasseril Mathai Chacko, aged 49 years, having Permanent Account Number 'AFIPG3804P' under the Income Tax Act, 1961, resident at Keeyalil Vadasseril, Vettickal PO, Kanayanoor Village, Mulamthuruthy, Vettickal, Ernakulam - 682314, Kerala, India. The contact detail of Acquirer 1 is +91-9048505127, and Email Address is [vcgeorgek@gmail.com](mailto:vcgeorgek@gmail.com);
- 4.1.2. Acquirer 1 has completed his masters' in business administration from National Institute of Bank Management; and has more than 22 (twenty-two) years of rich experience working with various Non-Banking Financial Companies in the field of sales and marketing, regional manager, area manager and managing branches in sales, marketing, operation, administration, staffing, etc.; He is not holding directorship in any company;
- 4.1.3. The net worth of Acquirer 1 is ₹470.15/- Lakhs (Indian Rupees Four Hundred and Seventy Lakhs and Fifteen Thousand Only) as certified vide certificate dated Wednesday, June 16, 2021, by CA Amith, Partner at A. John Moris & Co., Chartered Accountants, bearing membership number 244398, firm registration number S007220, having its head office located at No.5, Lakshmpuram, 1<sup>st</sup> Street, Deivasigamani Road (Near Music Academy), Royapettah, Chennai – 600014, Tamil Nadu, India with contact details being 044-2811600374; and office situated at TC 7/368/2, Raj Arcade, Kinar Junction, Cherur Post, Thrissur – 680008, with contact details being +91-487-232-3611, +91-99953-13611, and Email Address being [thrissur@ajohnmoris.com](mailto:thrissur@ajohnmoris.com);

##### **4.2. Midhun Ittoop ('Acquirer 2')**

- 4.2.1. Midhun Ittoop, s/o Ittoop Ouseph Konuparambu, aged 29 years, having Permanent Account Number 'ACGPI9365Q' under the Income Tax Act, 1961, resident at Konuparamban House, Hospital Road, Chalakudi H O, Mukundapuram, Thrissur – 680307, Kerala, India. The contact detail of Acquirer 2 is +91-9746010031, and Email Address is [ittoops@gmail.com](mailto:ittoops@gmail.com);
- 4.2.2. Acquirer 2 has completed his Masters in International Business, Masters in Commerce, and Bachelor of Technology (Mechanical) and has more than five years rich experience in the field of business development; He is not holding directorship in any company;
- 4.2.3. The net worth of Acquirer 2 is ₹277.11/- Lakhs (Indian Rupees Two Hundred and Seventy Seven Lakhs and Eleven Thousand Only) as certified vide certificate dated Wednesday, June 16, 2021, by CA Amith, Partner at A. John Moris & Co., Chartered Accountants, bearing membership number 244398, firm registration number S007220, having its head office located at No.5, Lakshmpuram, 1<sup>st</sup> Street, Deivasigamani Road (Near Music Academy), Royapettah, Chennai – 600014, Tamil Nadu, India with contact details being 044-2811600374; and office situated at TC 7/368/2, Raj Arcade, Kinar Junction, Cherur Post, Thrissur – 680008, with contact details being +91-487-232-3611, +91-99953-13611, and Email Address being [thrissur@ajohnmoris.com](mailto:thrissur@ajohnmoris.com);

### **4.3. Varghese Mathew ('Acquirer 3')**

- 4.3.1. Varghese Mathew, s/o C. V. Mathai, aged 29 years, having Permanent Account Number 'BLEPM2304M' under the Income Tax Act, 1961, resident at Cherakkunnathu, House, Mudavoor, Muvattupuzha, Velloorkunnam (Part), Emakulam, Mudavoor - 686669, Kerala, India. The contact detail of Acquirer 3 is +91-9747201333, and Email Address is [varghese.mthwl@gmail.com](mailto:varghese.mthwl@gmail.com);
- 4.3.2. Acquirer 3 has completed his master in business administration with specialization in finance. He has one year of working experience as a tax analyst in Deloitte. He has also more than one of experience in the field of Hotel Industry. He is acting in the capacity of director in Highland Star Hotels And Resorts Private Limited (Olive Downtown);
- 4.3.3. The net worth of Acquirer 3 is ₹241.55/- Lakhs (Indian Rupees Two Hundred and Forty-One Lakhs and Fifty-Five Thousand Only) as certified vide certificate dated Wednesday, June 16, 2021, by CA Amith, Partner at A. John Moris & Co., Chartered Accountants, bearing membership number 244398, firm registration number S007220, having its head office located at No.5, Lakshmiapuram, 1<sup>st</sup> Street, Deivasigamani Road (Near Music Academy), Royapettah, Chennai – 600014, Tamil Nadu, India with contact details being 044-2811600374; and office situated at TC 7/368/2, Raj Arcade, Kinar Junction, Cherur Post, Thrissur – 680008, with contact details being +91-487-232-3611, +91-99953-13611, and Email Address being [thrissur@ajohnmoris.com](mailto:thrissur@ajohnmoris.com);

### **4.4. Acquirer's Confirmation and Undertaking**

- 4.4.1. As on date of this Draft Letter of Offer, the Acquirers do not hold any Equity Share in the Target Company. However, pursuant to the Share Purchase Agreement executed, they intend to acquire, 12,39,439 (Twelve Lakhs Thirty-Nine Thousand Four Hundred and Thirty-Nine) Equity Shares representing 33.05% of the Equity Share capital and Voting Share Capital of the Target Company. As on date of this Detailed Public Statement, except the execution of the Share Purchase Agreement, the Acquirers do not have any interest or any other relationship in the Target Company and its promoters, directors or key employees;
- 4.4.2. As on date of this Draft Letter of Offer, the Acquirers do not belong to any group;
- 4.4.3. As on date of this Draft Letter of Offer, the Acquirers are not forming part of the present promoter and promoter group of the Target Company;
- 4.4.4. The Acquirers, have individually, confirmed and declared that, none of the Acquirers are related to each other in any manner; and that there is/are no nominee(s) of the Acquirers on the Board of Directors of the Target Company;
- 4.4.5. The Acquirers, have individually, confirmed and declared that, they have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992 (hereinafter referred to as '**SEBI Act**'), or under any other regulation made under the SEBI Act;
- 4.4.6. The Acquirers, have individually, confirmed and declared that, they have not been categorized nor are appearing in the '*Wilful Defaulter*' list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters issued by SEBI;
- 4.4.7. The Acquirers, have individually, further confirmed and declared, the Acquirers are not declared as '*Fugitive Economic Offenders*' under Section 12 of the Fugitive Economic Offenders Act, 2018;
- 4.4.8. The Acquirers have stated that, there are no persons acting in concert in relation to this Open Offer within the meaning of Regulation 2 (1) (q) (1) of the SEBI (SAST) Regulations;
- 4.4.9. The Acquirers, hereby individually, undertake that, they will not sell the Equity Shares of the Target Company, held and acquired by them, if any, during the Open Offer period in terms of Regulation 25 (4) of the SEBI (SAST) Regulations;

## 5. BACKGROUND OF RICHFIELD FINANCIAL SERVICES LIMITED

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

- 5.1. Richfield Financial Services Limited was originally incorporated on April 16, 1992, as 'Richfield Portfolio Management Private Limited' under the provisions of the Companies Act, 1956 with the Registrar of Companies, Calcutta, West Bengal. In the following calendar year of 1993, the name of the Target Company was changed from 'Richfield Portfolio Management Private Limited' to 'Richfield Financial Services Private Limited', in pursuance of which a fresh certificate of incorporation was issued by the Registrar of Companies, Calcutta, West Bengal, on February 02, 1993, wherein the change of name of the Target Company was recorded. Later in the next following calendar year of 1994, the Target Company was converted from a private limited company to public limited company, resulting in deletion of the word private from the name of the Target Company, consequentially effecting of issuance of a fresh Certificate of Incorporation dated December 16, 1994, in the name of 'Richfield Financial Services Limited'. The Corporate Identification Number of the Target Company is 'L65999WB1992PLC055224'. The Target Company is having its registered office situated at 33, Brabourne Road, 5<sup>th</sup> Floor, Kolkata - 700001, West Bengal, India;
- 5.2. Further, the Target Company is registered with Reserve Bank of India as a 'Non-Banking Finance Company' having Certificate bearing registration number '05.00093' dated February 18, 1998;
- 5.3. As on the date of this Detailed Public Statement, the Authorized Equity Share capital of the Target Company is ₹4,00,00,000.00/- (Indian Rupees Four Crores Only) comprising of 40,00,000 (Forty Lakhs) Equity Shares; and the issued, subscribed, and paid-up Equity Share capital is ₹3,75,01,000.00/- (Indian Rupees Three Crores Seventy-Five Lakhs One Thousand Only) comprising of 37,50,100 (Thirty-Seven Lakhs Fifty Thousand One Hundred) Equity Shares. Further, the Target Company does not have any partly paid-up Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. Further, no Equity Shares are subject to any lock-in obligations;
- 5.4. The entire Equity Share capital and Voting Share Capital of the Target Company is listed at BSE Limited and The Calcutta Stock Exchange Limited. The Target Company has already established connectivity with Central Depositories Services (India) Limited (hereinafter referred to as 'CDSL') and National Securities Depository Limited (hereinafter referred to as 'NSDL'); The Equity Shares of the Target Company bearing International Securities Identification Number 'INE201C01012' are placed under Group 'X' bearing Scrip Code '539435' and Scrip ID 'RFSL' on the BSE. The Equity Shares bear scrip code of '028162' on The Calcutta Stock Exchange Limited;
- 5.5. There has been no trading in the Equity Shares of the Target Company on The Calcutta Stock Exchange Limited and based on the information available on the BSE Limited's website, the Equity Shares of the Target Company are not frequently traded on BSE Limited within the meaning of explanation provided in 2 (1) (j) of the SEBI (SAST) Regulations;
- 5.6. The Target Company is in compliance with the SEBI (LODR) Regulations, and as on date of this Draft Letter of Offer, no penal action has been taken by the stock exchange against the Target Company;
- 5.7. There has been no merger, demerger, or spin-off during the last three (3) years;
- 5.8. The present Board of Directors of the Target Company are as follows:

Sr. No.	Name	Date of Appointment	Director Identification Number	Designation
1.	Sikhar Chand Choradia	January 31, 2007	01483314	Independent Director and Chairman
2.	Rishabh Kankaria	November 26, 2018	05325575	Managing Director
3.	Rajesh Kumar Kankaria	April 16, 1992	00097236	Non-Executive Promoter Director
4.	Rajni Kankaria	November 26, 2018	00097998	Non-Executive Director
5.	Subodh Kumar Agrawal	August 20, 2016	00553916	Independent Director

Sr. No.	Name	Date of Appointment	Director Identification Number	Designation
6.	Jai Narayan Gupta	June 30, 1998	00570313	Non-Executive Promoter Director

## 5.9. Financial Information:

The financial details of the Target Company as per unaudited financial results and limited review report for the nine-months period ending December 31, 2020, and the audited accounts for the last three Financial Years ended March 31, 2020; March 31, 2019, March 31, 2018 and are as follows:

### Profit and Loss Statement

(Amount in ₹)

Particulars	For the nine-months period ended December 31, 2020 (Unaudited – Limited Review Report) @	For the Financial Year ending		
		March 31, 2020	March 31, 2019	March 31, 2018
		(Audited) @	(Audited) @	(Audited) #
Income from Operations	96,57,388	35,77,941	45,14,818	66,40,770
Other Income	472	32,153	25,179	38,786
<b>Total Income</b>	<b>96,57,860</b>	<b>36,10,094</b>	<b>45,39,997</b>	<b>66,79,556</b>
<b>Total Expenditure</b>	<b>31,31,151</b>	<b>64,01,067</b>	<b>21,77,178</b>	<b>48,89,060</b>
Profit/(Loss) before Interest, Depreciation and Tax	65,26,710	(27,89,501)	23,65,498	17,97,112
Depreciation & Amortization Expenses	--	1,472	2,679	6,616
Interest	--	--	--	--
<b>Profit/ (Loss) before Tax</b>	<b>65,26,710</b>	<b>(27,90,973)</b>	<b>23,62,819</b>	<b>17,90,496</b>
Add: Exceptional Items	--	--	--	--
Less: Current Tax	--	(1,31,435)	(4,53,482)	185
Deferred Tax	--	(1,94,110)	(1,288)	1,069
Tax Adjustments for Earlier Years	18,428	--	--	--
<b>Profit/ (Loss) After tax</b>	<b>65,08,282</b>	<b>(28,53,649)</b>	<b>19,08,050</b>	<b>17,89,242</b>

@ This information is extracted from the financial statements prepared in accordance with Indian Accounting Standards;

# This information is extracted from the financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP');

### Balance Sheet

(Amount in ₹)

Particulars	For the nine-months period ended December 31, 2020 (Unaudited – Limited Review Report) @	For the Financial Year ending		
		March 31, 2020	March 31, 2019	March 31, 2018
		(Audited) @	(Audited) @	(Audited) #
<b>(A) Sources of funds</b>				
Paid-up share capital	3,75,01,000	3,75,01,000	3,75,01,000	3,75,01,000
Reserves and Surplus (excluding revaluation reserves)	--	3,67,50,028	5,44,62,476	2,40,00,649
Less: Miscellaneous Expenditure not written off	Nil	Nil	Nil	Nil
<b>Net Worth</b>	<b>8,08,79,897</b>	<b>7,42,51,028</b>	<b>9,19,63,476</b>	<b>6,15,01,649</b>

Particulars	For the nine-months period ended December 31, 2020	For the Financial Year ending		
		March 31, 2020	March 31, 2019	March 31, 2018
	(Unaudited – Limited Review Report)®	(Audited)®	(Audited)®	(Audited)#
<b>Non-Current Liabilities/ Non-Financial Liabilities</b>	--	--	--	--
Loans and Liability	--	6	4	--
Provisions	--	2,13,818	--	--
Deferred Tax Liabilities	--	1,19,304	--	--
Current Liabilities	--	--	25,000	27,190
Short-Term Provisions	--	--	63,795	42,383
Other non-financial liabilities (to be specified)	--	1,03,771	--	--
<b>Total (A)</b>	--	<b>7,46,87,927</b>	<b>9,20,52,275</b>	<b>6,15,71,222</b>
<b>(B) Uses of funds</b>				
Cash and cash equivalents	--	14,62,843	79,06,396	17,67,761
Trade Receivables	--	301	1,000	--
Other Current Assets	--	--	--	11,47,524
Net Fixed Assets	--	2,91,955	45,827	51,176
Other Financial Assets	--	12,500	12,500	--
Non-Current Investments	--	4,52,00,375	5,78,13,665	4,16,34,746
Current Tax Assets (Net)	--	6,92,830	5,41,729	--
Deferred Tax Assets (Net)	--	--	3,105	4,393
Long term loans and advances	--	2,70,27,122	2,55,18,052	1,69,65,622
Property, Plant and Equipment	--	44,355	45,827	--
Other non-financial assets (to be specified)	--	2,47,600	210,000	--
<b>Total (B)</b>	--	<b>7,46,87,927</b>	<b>9,20,52,275</b>	<b>6,15,71,222</b>

® This information is extracted from the financial statements prepared in accordance with Indian Accounting Standards;

#This information is extracted from the financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP');

#### Other Financial Data

Particulars	For the nine-months period ended December 31, 2020	For the Financial Year ending		
		March 31, 2020	March 31, 2019	March 31, 2018
	(Unaudited – Limited Review Report)®	(Audited)®	(Audited)®	(Audited)®
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (₹)	₹1.74	₹(0.76)	₹3.15	₹0.48
Return on Net worth (%)	8.05%	(3.84)%	2.07%	2.91%
Book Value Per Share (₹)	₹21.57	₹19.80	₹24.52	₹16.40

® This information is extracted from the financial statements prepared in accordance with Indian Accounting Standards;

# This information is extracted from the financial statements prepared in accordance with Generally Accepted Accounting Principles in India ('Indian GAAP');

\*Not annualized.

#### Notes:

- EPS = Profit after tax / number of outstanding Equity Shares at the close of the year/ period;
- Return on Net Worth = Profit after Tax / Net-Worth;
- Book Value per Share = Net-Worth / No. of Equity Shares;
- Source: Audited Annual Reports or Audited Financial Statements or Unaudited Financial Results;



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

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
(1) Promoter Group								
a) Parties to the Share Purchase Agreement								
Brain Business Private Limited	4,39,400	11.72%	(4,39,400)	(11.72%)	--	--	--	--
Dinkar Commercials Private Limited	3,62,900	9.68%	(3,62,900)	(9.68%)	--	--	--	--
Ektaa Tradefin Private Limited	1,10,000	2.93%	(1,10,000)	(2.93%)	--	--	--	--
Superdeal Resources Private Limited	1,13,300	3.02%	(1,13,300)	(3.02%)	--	--	--	--
R K Kankaria (HUF)	12,200	0.33%	(12,200)	(0.33%)	--	--	--	--
Rajesh Kumar Kankaria	1,01,945	2.72%	(1,01,945)	(2.72%)	--	--	--	--
Rajni Kankaria	85,500	2.28%	(85,500)	(2.28%)	--	--	--	--
Rishabh Kankaria	9,294	0.25%	(9,294)	(0.25%)	--	--	--	--
Ruby Nahar	4,900	0.13%	(4,900)	(0.13%)	--	--	--	--
b) Promoters other than specified in (a) above	--	--	--	--	--	--	--	--
Rasila Devi Kankaria	--	--	--	--	--	--	--	--
Shobha Devi Kankaria	--	--	--	--	--	--	--	--
Damyanti Kankaria	--	--	--	--	--	--	--	--
Naresh Kumar Kankaria	--	--	--	--	--	--	--	--
Suresh Kumar Kankaria	--	--	--	--	--	--	--	--
Sushma Kankaria	--	--	--	--	--	--	--	--
Komal Kankaria	--	--	--	--	--	--	--	--
Nishkarsh Kankaria	--	--	--	--	--	--	--	--
Saloni Kankaria	--	--	--	--	--	--	--	--
Shubham Kankaria	--	--	--	--	--	--	--	--

Shareholders' Category	Shareholding/ voting rights prior to the SPA/ acquisition and Offer		Equity Shares/ voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding/ voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%	No. of Equity shares	%
Shubhangi Kankaria	--	--	--	--	--	--	--	--
Siddhant Kankaria	--	--	--	--	--	--	--	--
<b>TOTAL (1) = (a) + (b)</b>	<b>12,39,439</b>	<b>33.05%</b>	<b>(12,39,439)</b>	<b>(33.05%)</b>	--	--	--	--
(2) Acquirers								
Midhun Ittoop	--	--	4,13,147	11.02%	3,25,009	8.67%	7,38,156	19.68%
Vadasseril Chacko Georgekutty	--	--	4,13,147	11.02%	3,25,009	8.67%	7,38,156	19.68%
Varghese Mathew	--	--	4,13,145	11.02%	3,25,008	8.67%	7,38,153	19.68%
<b>TOTAL (2)</b>	--	--	<b>12,39,439</b>	<b>33.05%</b>	<b>9,75,026</b>	<b>26.00%</b>	<b>22,14,465</b>	<b>59.05%</b>
(3) Parties to the Share Purchase Agreement other than (1)	--	--	--	--	--	--	--	--
(4) Public								
a) FIs/ MFs/ FIIs/ Banks/ SFIs (Indicate names)	--	--	--	--	--	--	--	--
b) Others	--	--	--	--	--	--	--	--
c) Other than parties to the Share Purchase Agreement from Promoter and Promoter Group	--	--	--	--	--	--	--	--
d) Total No. of shareholders in the Public category, i.e., 742 shareholders	25,10,661	66.95%	--	--	(9,75,026)	(26.00%)	15,35,635	40.95%
<b>TOTAL (4)</b>	<b>25,10,661</b>	<b>66.95%</b>	--	--	<b>(9,75,026)</b>	<b>(26.00%)</b>	<b>15,35,635</b>	<b>40.95%</b>
<b>GRAND TOTAL</b>	<b>37,50,100</b>	<b>100.00%</b>	<b>12,39,439</b>	<b>33.05%</b>	--	--	<b>37,50,100</b>	<b>100.00%</b>

**Notes:**

- i. No Equity Shares are subject to lock-in;
- ii. The Acquirers have not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of the Open Offer Price

6.1.1. The Equity Shares of the Target Company having International Securities Identification Number 'INE201C01012' are presently listed on BSE Limited and The Calcutta Stock Exchange Limited. Further, the Equity Shares of the Target Company are placed under Group 'X' having a scrip code of '539435' and Scrip ID: RFSL on the BSE Limited. The Equity Shares bear scrip code of '028162' on The Calcutta Stock Exchange Limited;

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

Stock Exchange	Total No. of Equity Shares traded during the Twelve calendar months prior to the month of Public Announcement	Total No. of listed equity shares of the Target Company	Total Trading Turnover (as % of total Equity Shares listed)
BSE Limited	43,246 Equity Shares	37,50,100 Equity Shares	1.15%

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

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

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

Sr. No.	Particulars	Price (In ₹ per Equity share)
1.	Negotiated Price under the Share Purchase Agreement	₹21.00/-
2.	The Volume Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 (Fifty-Two) weeks immediately preceding the date of Public Announcement	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during 26 (Twenty-Six) weeks immediately preceding the date of Public Announcement	Not Applicable
4.	The Volume Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	Other Financial Parameters as at December 31, 2020:	
	(a) NAV per Equity share	₹21.98/-
	(b) Price Earning Capacity Value per Equity Share	Not Applicable
	(c) Market Based Value	Not Applicable

CA Bhavesh Rathod, Proprietor of M/s Bhavesh Rathod & Co. Chartered Accountants, (Firm Registration No.1402046W), having their office at A/101, Shelter CHSL, CSC Road, Dahisar (East), Mumbai – 400 068, Maharashtra, India, Tel: +91 9769113490, E-mail: [info@cabhavesh@gmail.com](mailto:info@cabhavesh@gmail.com) vide valuation certificate dated Tuesday, June 16, 2021, calculated the fair value of the Equity Shares of Target Company as ₹21.98/- (Indian Rupees Twenty-One and Ninety-Eight Paise Only) per Equity Share.

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manger to the Offer, the Offer Price of ₹23.00/- (Indian Rupees Twenty-Three Only) per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations;

6.1.4. As on date of this Draft Letter of Offer, there is no revision in Open Offer Price or Open Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirers would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations;

- 6.1.5. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 (9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls between the date of this Detailed Public Statement up to 3 (Three) Working Days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations;
- 6.1.6. In the event of any acquisition of Equity Shares by the Acquirer during the Offer period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3<sup>rd</sup> (Third) Working Day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.
- 6.1.7. As on the date of this Detailed Public Statement, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (One) Working Day before the commencement of the Tendering Period of this Open Offer in accordance with Regulation 18 (4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which this this Detailed Public Statement has been published; and (iii) simultaneously notify the Stock Exchanges, the SEBI and the Target Company at its registered office of such revision.
- 6.1.8. If the Acquirers acquire or agrees to acquire any Equity Shares or voting share capital rights in the Target Company during the Open Offer Period, whether by subscription or purchase, at a price higher than the Open Offer Price, the Open Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8 (8) of SEBI (SAST) Regulations. Provided that no such acquisition shall be made after the 3<sup>rd</sup> (Third) working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period. Further, in accordance with Regulation 18 (4) and Regulation 18 (5) of the SEBI (SAST) Regulations, in case of an upward revision to the Open Offer Price or to the Open Offer Size, if any, on account of competing offers or otherwise, the Acquirers would (a) make public announcement in the same newspapers in which this Detailed Public Statement has been published; and (b) simultaneously notify to SEBI, the Stock Exchanges, and the Target Company at its registered office. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations;
- 6.1.9. If the Acquirers acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the Tendering Period at a price higher than the Open Offer Price, the Acquirers would pay the difference between the highest acquisition price and the Open Offer Price, to all shareholders whose Equity Shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another Open Offer under SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form;

## **6.2. Financial Arrangements**

- 6.2.1. In terms of Regulation 25 (1) of the SEBI (SAST) Regulations, the Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of this Open Offer in full out of their own sources, and net-worth is calculated after deducting the borrowings made by the Acquirers from any bank and/ or financial institutions as envisaged. CA Amith, Partner at A. John Moris & Co., Chartered Accountants, bearing membership number 244398, firm registration number S007220, having its head office located at No.5, Lakshmipuram, 1<sup>st</sup> Street, Deivasigamani Road (Near Music Academy), Royapettah, Chennai – 600014, Tamil Nadu, India with contact details being 044-2811600374; and office situated at TC 7/368/2, Raj Arcade, Kinar Junction, Cherur Post, Thrissur – 680008, with contact details being +91-487-232-3611, +91-99953-13611, and Email Address being [thrissur@ajohnmoris.com](mailto:thrissur@ajohnmoris.com) vide certificate dated Wednesday, June 16, 2021 stated that sufficient resources are available with Acquirers for fulfilling the obligations under this Open Offer in full;
- 6.2.2. The maximum consideration payable by the Acquirers to acquire 9,75,026 (Nine Lakhs Seventy-Five Thousand and Twenty-Six) fully paid-up Equity Shares at the Offer Price of ₹23.00/- (Indian Rupees Twenty-Three Only), assuming full acceptance of the Open Offer would be ₹2,24,25,598.00/- (Indian Rupees Two Crores Twenty-Four

Lakhs Twenty-Five Thousand Five Hundred and Ninety-Eight Only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of 'RFSL - Open Offer Escrow Account' (hereinafter referred to '**Escrow Account**') with ICICI Bank Limited, (hereinafter referred to '**Escrow Banker**') and have deposited ₹75,00,000.00/- (Rupees Seventy-Five Lakhs Only, being more than 25% of consideration payable in this Open Offer, assuming full acceptance;

- 6.2.3. The Manager to the Offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations;
- 6.2.4. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations;
- 6.2.5. In case of upward revision of the Open Offer Price and/ or the Open Offer Size, the Acquirers would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision;

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

- 7.1. The Letter of Offer will be mailed to all those Equity Public Shareholders of the Target Company (except the Acquirers and the parties to the Share Purchase Agreement) whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Monday, 26 July, 2021;
- 7.2. Accidental omission to dispatch the Letter of Offer or the non-receipt or delayed receipt of the Letter of Offer will not invalidate this Open Offer in anyway;
- 7.3. Subject to the conditions governing this Open Offer, as mentioned in the Letter of Offer, the acceptance of this Open Offer by the Equity Public Shareholder/s must be absolute and unqualified. Any acceptance to this Open Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever;
- 7.4. In terms of the Regulation 18 (9) of the SEBI (SAST) Regulations, the Equity Public Shareholders who tender their Equity Shares in this Open Offer shall not be entitled to withdraw such acceptance;

### **7.5. Locked-in Shares**

No Equity Shares of the Target Company are subject to lock-in;

### **7.6. Eligibility for accepting the Open Offer**

- 7.6.1. The Letter of Offer shall be mailed to all the Equity Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form (except the present Promoter Group shareholders and Acquirers) whose names appear in register of Target Company as on Monday, 26 July, 2021, the Identified Date;
- 7.6.2. This Open Offer is also open to persons who own Equity Shares in Target Company but are not registered Equity Public Shareholders as on the Identified Date;
- 7.6.3. All Equity Public Shareholders and/or beneficial owners (except the present Promoter group shareholders, and the Acquirers) who own Equity Shares of the Target Company any time before the closure of this Open Offer are eligible to participate in this Open Offer;
- 7.6.4. The Acquirers have appointed Purva Sharegistry (India) Private Limited, as the Registrar to the Offer bearing SEBI Registration Number 'INR000001112', having office at Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai – 400 011, Maharashtra, India, bearing contact details such as contact number 022 2301 2518 / 8261, Email Address [support@purvashare.com](mailto:support@purvashare.com) and website [www.purvashare.com](http://www.purvashare.com). The Contact Person Deepali Dhuri can be contacted from 10:00 a.m. (Indian Standard Time) to 5:00 p.m. (Indian Standard Time) on working days (except Saturdays, Sundays and all public holidays) on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period of this Open Offer;

- 7.6.5. The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance will also be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in). In case of non-receipt of the Letter of Offer, all Equity Public Shareholders including unregistered Equity Public Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the website of SEBI for applying in this Open Offer;
- 7.6.6. Unregistered Equity Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Equity Public Shareholders;
- 7.6.7. The acceptance of this Open Offer by the Equity Public Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever;
- 7.6.8. The acceptance of this Open Offer is entirely at the discretion of the Equity Public Shareholder(s)/beneficial owner(s) of Target Company;
- 7.6.9. The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Equity Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard;
- 7.6.10. The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirers in consultation with the Manager to the Offer;
- 7.6.11. The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Open Offer.

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

- 7.7.1. The Target Company, being a Non-Deposit taking Non-Banking Finance Company registered with the Reserve Bank of India, is mandated in an event of any acquisition or transfer of control of Non-Banking Finance Company, to seek and obtain prior approval of Reserve Bank of India in terms of Paragraph 61 of Chapter – IX of Section III of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016;
- 7.7.2. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FIIs) had required & received any approvals (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Open Offer, along with other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers have reserves the right to reject such Equity Shares tendered in this Open Offer;
- 7.7.3. The Acquirers in terms of Regulation 23 of SEBI (SAST) Regulations will have a right not to proceed with this Open Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (Two) working days of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared;
- 7.7.4. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the Equity Public Shareholders as directed by SEBI, in terms of Regulation 18 (11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, Regulation 17 (9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture;

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

- 8.1. This Open Offer will be implemented by the Acquirers, through stock exchange mechanism as provided under the SEBI (SAST) Regulations and the SEBI circular bearing reference number 'CIR/CFD/POLICY/CELL/1/2015' dated April 13, 2015 and SEBI circular bearing reference number 'CFD/DCR2/CIR/P/2016/131' dated December 09, 2016 issued by SEBI and on such terms and conditions as may be permitted by law from time to time;
- 8.2. BSE Limited shall be the designated stock exchange for the purpose of tendering Equity Shares in this Open Offer;
- 8.3. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Open Offer shall be available on the BSE Limited, which shall be the Designated Stock Exchange, in the form of a separate window (hereinafter referred to as '**Acquisition Window**')
- 8.4. For implementation of this Open Offer, the Acquirers have appointed Harjivandas Nemidas Securities Private Limited (hereinafter referred to as '**Buying Broker**') through whom the purchases and settlements on account of this Open Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

<b>Name</b>	<b>Harjivandas Nemidas Securities Private Limited</b>
<b>Address</b>	G12/13, Hilife Mall, P. M. Road, Santacruz West, Mumbai - 400 054, Maharashtra, India
<b>Contact Details</b>	+91 98200 81141
<b>Email Address</b>	<a href="mailto:kartik@hnspl.com">kartik@hnspl.com</a> / <a href="mailto:kartik.broker1234@gmail.com">kartik.broker1234@gmail.com</a>
<b>Contact Person</b>	Kartik Broker

- 8.5. All the Equity Public Shareholders who desire to tender their Equity Shares under this Open Offer would have to approach their respective stock brokers (hereinafter referred to as '**Selling Broker**'), during the normal trading hours of the secondary market during the Tendering Period;
- 8.6. The Acquisition Window provided by the BSE Limited shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only;
- 8.7. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period;
- 8.8. Equity Public Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant).
- 8.9. **Procedure for Equity Shares held in physical form**
- 8.9.1. In accordance with the Frequently Asked Questions issued by SEBI, "FAQs – Tendering of physical shares in buyback offer /open offer/exit offer/delisting" dated February 20, 2020 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 issued by SEBI Shareholders holding securities in physical form are allowed to tender shares in Open Offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations;
- 8.9.2. Public Shareholders who are holding physical Equity Shares and intend to participate in the Open Offer shall approach Selling Broker. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc;
- 8.9.3. After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder's PAN Card, and (d) TRS, any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession



certificate or probated will, if the original shareholder has deceased, etc., as applicable either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5:00 PM). The envelope should be superscripted as '**RFSL Open Offer**'. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker;

- 8.9.4. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport;
- 8.9.5. Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA, the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform;
- 8.9.6. Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected;
- 8.9.7. Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
  - a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired;
  - b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s);
  - c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance;

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

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

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

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



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

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

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

10.2. A Equity Public Shareholder may participate in this Open Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Open Offer as per the procedure mentioned in the Letter of Offer;

10.3. The Letter of Offer along with acceptance form will be dispatched to all the eligible Equity Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company;

10.4. The Letter of Offer along with the Form of Acceptance would also be available at website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and Equity Public Shareholders can also apply by downloading such forms from the said website;

10.5. Alternatively, in case of non-receipt of the Letter of Offer, the eligible Equity Public Shareholders holding the Equity Shares may participate in this Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client-ID number, DP name, DP-ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraph 8.1 titled as '*Procedure for Equity Shares held in physical form*' at page 23 of this Draft Letter of Offer. Such eligible Equity Public Shareholders have to ensure that their order is entered in the electronic platform of BSE which will be made available by BSE before the closure of the Tendering Period;

## 11. SETTLEMENT PROCESS

11.1. On closure of this Open Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the BSE Limited to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation;

11.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. The Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favor of Clearing Corporation;

11.3. The direct credit of Equity Shares shall be given to the demat account of the Acquirers indicated by the Acquirers Buying Broker. The Buying Broker will transfer the funds pertaining to this Open Offer to the Clearing Corporation's bank account as per the prescribed schedule;

11.4. For the same, the existing facility of client direct payout in the capital market segment shall be available;

11.5. The Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under this Open Offer;

11.6. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the Buying Broker's pool account;

**11.7.** In case of partial or non-acceptance of orders or excess pay-in, demat Equity Shares shall be released to the securities pool account of the Selling Broker(s)/ custodian, post which, the Seller Broker(s) would then issue contract note for the shares accepted and return the balance Equity Shares to the Equity Public Shareholders;

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

### **12.1. For Equity Shareholders holding Equity Shares in demat**

12.1.1. The settlements of fund obligation for demat Equity shares shall be effected by clearing corporation. For the Equity Shares accepted under this Open Offer, the payment will be made by the Clearing Corporation to the Equity Public Shareholders directly to their bank account;

12.1.2. The payment will be made to the Buying Broker for the settlement. For Equity Shares accepted under this Open Offer, the Equity Public Shareholders will receive funds payout in their settlement bank account;

12.1.3. The funds received from Buyer Broker by the Clearing Corporation will be released directly, to the Equity Public Shareholder;

12.1.4. Equity Public Shareholder who intends to participate in this Open Offer should consult their respective Seller Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the selling Equity Public Shareholders for tendering Equity Shares in this Open Offer (secondary market transaction). The consideration received by the selling Equity Public Shareholders from their respective Seller Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder;

12.1.5. In case of delay in receipt of any statutory approval(s), the SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, and subject to such terms and conditions as specified by the SEBI (including payment of interest in accordance with Regulation 18 (11) of the SEBI (SAST) Regulations grant an extension of time to the Acquirers pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Equity Public Shareholders whose Equity Shares have been accepted in the Open Offer;

## **13. NOTE ON TAXATION**

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

**13.2.** Gains arising from the transfer of shares may be treated either as 'capital gains' or as 'business income' for income-tax purposes, depending upon whether such shares were held as a capital asset or business asset (i.e. stock-in-trade). The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. Any applicable surcharge and education cess would be in addition to such applicable tax rates;

**13.3.** Based on the provisions of the IT Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the relevant year. The summary of income-tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below.

#### **13.4. Taxability of Capital Gain in the hands of the Equity Public Shareholders:**

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

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

- 14.1.** The copies of the following documents will be available for inspection at the registered office of the Manager to the Offer, CapitalSquare Advisors Private Limited 208, 2<sup>nd</sup> Floor, AARPEE Center, MIDC Road No. 11, CTS 70, Andheri (East), Mumbai 400 093, Maharashtra, India on any working day between 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) during the period this Open Offer is open i.e., from Monday, 09 August, 2021 to Tuesday, 24 August, 2021;
- 14.1.1. Memorandum and Articles of Association and Certificate of Incorporation of the Target Company;
- 14.1.2. Memorandum of Understanding between the Manager to Offer and the Acquirers;
- 14.1.3. The copy of Agreement between the Registrar to the Offer and the Acquirers;

- 14.1.4. The certified vide certificate dated Wednesday, June 16, 2021, by CA Amith, Partner at A. John Moris & Co., Chartered Accountants, bearing membership number 244398, firm registration number S007220, having its head office located at No.5, Lakshmipuram, 1<sup>st</sup> Street, Deivasigamani Road (Near Music Academy), Royapettah, Chennai – 600014, Tamil Nadu, India with contact details being 044-2811600374; and office situated at TC 7/368/2, Raj Arcade, Kinar Junction, Cherur Post, Thrissur – 680008, with contact details being +91-487-232-3611, +91-99953-13611, and Email Address being [thrissur@ajohnmoris.com](mailto:thrissur@ajohnmoris.com), certifying that the Acquirers have sufficient resources available for the implementation of the Offer in full out of its own sources / financial commitment under this Open Offer in full;
- 14.1.5. The Certificate dated Wednesday, June 16, 2021 issued by CA Bhavesh Rathod, Proprietor of M/s Bhavesh Rathod & Co. Chartered Accountants, (Firm Registration No.1402046W), having their office at A/101, Shelter CHSL, CSC Road, Dahisar (East), Mumbai – 400 068, Maharashtra, India, Tel: +91 9769113490, E-mail: [info@cabhavesh@gmail.com](mailto:info@cabhavesh@gmail.com), relating to the fair value of the Equity Shares of the Target Company;
- 14.1.6. Audited Annual Reports for the last three financial years ended, March 31, 2020, March 31, 2019 and March 31, 2018 and Unaudited Financial Results for the nine-months period ending December 31, 2020 of the Target Company;
- 14.1.7. Bank Statement received from, ICICI Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- 14.1.8. The copy of Share Purchase Agreement dated Wednesday, June 16, 2021, between the Promoters and the Acquirers, which triggered this Open Offer;
- 14.1.9. Copy of the Public Announcement dated Wednesday, June 16, 2021 and published copy of the Detailed Public Statement dated Friday, June 18, 2021, published on behalf of the Acquirers on Saturday, June 19, 2021, in the newspapers;
- 14.1.10. Copy of the recommendations dated [●] made by the Committee of Independent Directors of the Target Company;
- 14.1.11. Copy of SEBI Observation letter no. [●] dated [●];
- 14.1.12. Escrow Agreement between Acquirers, ICICI Bank Limited and Manager to the Offer;

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

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

**On behalf of the Acquirers  
Vadasseril Chacko Georgekutty**

**Date: Wednesday, June 23, 2021  
Place: Mumbai**