

DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This draft letter of offer (“**Draft Letter of offer**” / “**DLOF**”) will be sent to you as a Public Shareholder (*as defined below*) of The Indian Link Chain Manufacturers Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over this LOF and the accompanying Form of Acceptance cum Acknowledgement and transfer deed to the member of Stock Exchange (*as defined below*) through whom the said sale was affected.

VISHAL THAKKAR (“**ACQUIRER**”)

Address: Near Hindu Sabha Hospital, Sanitorium Lane, Room No.4, Tulsidas Kunverji Sanatorium Trust, Ghatkopar West - 400086, Maharashtra, India.

Tel: +91 99300 22534; **Email Id:** vishalthakkar9@gmail.com

OPEN OFFER FOR ACQUISITION OF UP TO 13,000 (THIRTEEN THOUSAND) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS. 100/- (“RUPEES ONE HUNDRED ONLY”) EACH (“OFFER SHARES”), REPRESENTING 26% (TWENTY-SIX PERCENT) OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF THE INDIAN LINK CHAIN MANUFACTURERS LIMITED (“TARGET COMPANY”) AT AN OFFER PRICE OF RS. 720/- (RUPEES SEVEN HUNDRED AND TWENTY ONLY) PER EQUITY SHARE, FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW) OF THE TARGET COMPANY BY VISHAL THAKKAR (“ACQUIRER”), PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”) (“OFFER” OR “OPEN OFFER”). NO OTHER PERSON IS ACTING IN CONCERT WITH THE ACQUIRER FOR THE PURPOSE OF THIS OPEN OFFER.

THE INDIAN LINK CHAIN MANUFACTURERS LIMITED (“**TARGET COMPANY**”)

Registered Office: 59, Sonawala Building, 2nd Floor, Mumbai Samachar Marg Fort, Mumbai-400023, Maharashtra, India.

CIN: L28920MH1956PLC009882

Tel: +022 22661013; **Email:** inlinch@hotmail.com ; **Website:** www.inlinch.com

Please Note:

1. This Open Offer (*as defined below*) is being made by the Acquirer pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations and other applicable regulations of the SEBI (SAST) Regulations.
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of this DLOF, there are no statutory approvals required to complete Underlying Transaction (*as defined below*) and to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
5. The Acquirer shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirer.
6. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations

18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer 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. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7. The Offer Price and/ or the Offer Size may be subject to upward revision, if any, pursuant to the provisions of Regulation 18 (4) of the SEBI (SAST) Regulations, at any time prior to commencement of the last 1 (One) Working Day prior to the Tendering Period i.e., Monday, January 23, 2023, and the same would also be informed by way of a public announcement in the Newspapers. Where the Acquirer have acquired any Equity Shares during the Offer Period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with the provisions of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, BSE, and the Target Company at its registered office of such revision. Such revised Offer Price shall be payable by the Acquirer for all the Offer Shares validly tendered during the Tendering Period of this Offer.
8. The Acquirer may withdraw the Open Offer in accordance with the conditions specified in Paragraph 7.3 in this DLOF. In the event of a withdrawal of the Offer, the Acquirer through the Manager shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the DPS (*as defined below*) had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such announcement will also be sent to SEBI, Stock Exchanges and the Target Company at its registered office.
9. **There is no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**
10. Unless otherwise stated, the information set out in this DLOF reflects the position as of the date hereof.
11. Copies of the Public Announcement (“PA”), the Detailed Public Statement (“DPS”) are available on the website of SEBI (www.sebi.gov.in), and copies of this Draft Letter of Offer (“DLOF”) and Letter of Offer (“LOF”) (including the Form of Acceptance) are expected to be available on the website of SEBI (www.sebi.gov.in).

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

Manager to the Offer	Registrar to the Offer
 <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Investor Grievance E-Mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163</p>	 <p>LINK INTIME INDIA PRIVATE LIMITED C101, 247 Park, LBS Road, Vikhroli West, Mumbai- 400083, Maharashtra, India. Tel No.: +91 810 811 4949 Email id: inlcm.offer@linkintime.co.in Website: www.linkintime.co.in Investor Grievance id: inlcm.offer@linkintime.co.in Contact Person: Sumeet Deshpande SEBI Registration No.: INR000004058</p>
OFFER OPEN ON: January 24, 2023	OFFER CLOSES ON: February 07, 2023

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

Activity	Date**	Day
Date of Public Announcement	December 03, 2022	Saturday
Date of publishing of Detailed Public Statement	December 09, 2022	Friday
Last date of filing Draft Letter of Offer with SEBI	December 16, 2022	Friday
Last date for public announcement for competing offer(s)*	December 30, 2022	Friday
Last date for receipt of comments from SEBI on the Draft Letter of Offer	January 06, 2023	Friday
Identified Date#	January 10, 2023	Tuesday
Date by which Letter of Offer to be dispatched to the Shareholders	January 17, 2023	Tuesday
Last date by which the committee of Independent Directors of the Target Company shall give its recommendations	January 19, 2023	Thursday
Last date for upward revision of the Offer Price and/or the Offer Size	January 23, 2023	Monday
Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office	January 23, 2023	Monday
Date of Commencement of Tendering Period (Offer Opening Date)	January 24, 2023	Tuesday
Date of Expiration of Tendering Period (Offer Closing Date)	February 07, 2023	Tuesday
Last date of communicating of rejection / acceptance and payment of consideration for accepted tenders / return of unaccepted shares	February 21, 2023	Tuesday
Issue of post offer advertisement	February 28, 2023	Tuesday
Last date for filing of final report with SEBI	February 28, 2023	Tuesday

** The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various statutory/regulatory authorities and may have to be revised accordingly. Shareholders are requested to refer to the letter of offer for the revised timeline, if any.

* As on the date of this DLOF, there has been no competing offer

Date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer shall be sent. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and party to SPA) are eligible to participate in the Offer any time before the closure of the Offer.

RISK FACTORS

1. RISKS RELATING TO THE UNDERLYING TRANSACTION:

- a. This Offer is a mandatory offer in terms of Regulation 3(1) and Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').
- b. In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, if the conditions precedent and other conditions as stated in paragraph 7.3 are not satisfactorily complied with for reasons beyond the control of the Acquirer, the Open Offer would stand withdrawn. The Acquirer reserves the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011 in the event the requisite statutory approvals that may be necessary at a later date are refused.
- c. Acquisition of Sale Shares in the Underlying Transaction is subject to the applicable provisions of the SEBI (SAST) Regulations, 2011, and the Share Purchase Agreement (as hereinafter defined). In case the provisions of SEBI (SAST) Regulations, 2011 or the Share Purchase Agreement are not satisfactorily complied with for reasons beyond reasonable control of the Acquirer; and consequently, the Share Purchase Agreement is rescinded, the Acquirer shall not be able to act upon acquisition of Equity Shares under the Offer
- d. The consummation of the Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement.

2. RISKS RELATING TO THE OFFER

- a. This Offer is subject to the provisions of SEBI (SAST) Regulations, 2011, and in case of non-compliance by the Acquirer with any of the provisions of the SEBI (SAST) Regulations, 2011, the Acquirer shall not act upon the acquisition of equity shares under the Offer.
- b. This Open Offer is an offer to acquire not more than 26% of the Voting Share Capital of the Target Company from the Public Shareholders. In the case of Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted.
- c. As on the date of this DLOF, there are no statutory approvals are required to complete Underlying Transaction and to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer 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. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- d. In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or

- (b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirer may be delayed.
- e. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer shall reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or any other regulatory body, if applicable) 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, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirer shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
 - f. The Acquirer makes no assurance with respect to any decision by the shareholders on whether or not to participate in the offer. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer.
 - g. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation /Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
 - h. In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
 - i. The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, this DLOF and the Letter of Offer, and anyone placing reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) would be doing so at his/her/it's or their own risk.
 - j. The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this DLOF, and all shareholders should independently consult their respective tax advisors.
 - k. The Acquirer accept full responsibility with respect to any information provided in the PA, DPS or DLOF or LOF pertaining to the Target company.
 - l. None of the Acquirer, the Manager, or the Registrar, accept any responsibility for any loss of documents during transit (including but not limited to the Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

3. RISKS RELATING TO THE ACQUIRER

- a. The Acquirer and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer.
- b. The Acquirer make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
- c. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d. Upon completion of the Open Offer (assuming full acceptances in the Open Offer) and the proposed transaction, the public shareholding of the Target Company may fall below the minimum level of public shareholding as required to be maintained as per Regulation 38 of the SEBI (LODR) Regulations (as defined below) read with Rule 19A of the SCRR (as defined below). While the Acquirer is required to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements within the time period stated therein through permitted routes and any other such routes as may be approved by SEBI from time to time, any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the equity shares of the Target Company.
- e. The information pertaining to the Target Company contained in the PA or DPS or DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or publicly available sources.

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

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

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

CURRENCY OF PRESENTATION

In this DLOF, all references to “₹”, “Rupees”, “Rs.” or “INR” are references to Indian National Rupees(s) (INR).

In this DLOF, 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. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer	Vishal Thakkar
Board/Board of Directors	Board of directors of the Target Company
BSE / Stock Exchange	BSE Limited
Buying Broker	Stock broker appointed by Acquirer for the purpose of this Open Offer i.e., Choice Equity Broking Private Limited.
Book value per share	Net worth/ Number of shares
Companies Act, 2013	The Companies Act, 2013 as amended, substituted or replaced from time to time.
CDSL	Central Depository Services Limited
Clearing Corporation	Indian Clearing Corporation Limited
CIN	Company Identification Number
Depositories	CDSL and NSDL
Detailed Public Statement/DPS	The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirer on December 09, 2022 in the Financial Express Newspaper (English - All Editions), Navakal Newspaper (Mumbai Edition) and Jansatta (Hindi – All Editions).
DIN	Director Identification Number
DP	Depository participant
Draft Letter of Offer/DLOF	This Draft Letter of Offer dated December 16, 2022 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations.
EPS	Earnings per share
Equity Share(s)/Share(s)	shall mean the fully paid-up equity shares of the Target Company of face value of Rs. 10/- (Rupees Ten only) each.
Equity Share Capital	The Issued, Subscribed and Paid-Up Share Capital of the Target Company as on the date of this Draft Letter of Offer, i.e., 50,000 (Fifty Thousand) Equity Shares of Face Value Rs. 100/- (Rupees One Hundred Only) each.
Escrow Account	Escrow Account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, under the name and style of “Vishal Thakkar Escrow Account” with ICICI Bank Limited, the Escrow banker.
Escrow Agent/Escrow Bank	ICICI Bank Limited (“Escrow Agent”), a banking corporation incorporated under the laws of India, acting through its branch office at Churchgate, Mumbai, India.
Escrow Agreement	Escrow Agreement, dated December 03, 2022, entered amongst and between the Acquirer, the Escrow banker, and the Manager to the offer.
Escrow Amount	The amount aggregating to Rs. 94,00,000/- (Rupees Ninety-Four Lakhs Only) maintained by the Acquirer with the Escrow Agent in accordance with the Open Offer Escrow Agreement.
ESOPs	Employee stock options
FEMA	Foreign Exchange Management Act, 1999, as amended
FII/FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA
Form of Acceptance	Form of Acceptance-cum-Acknowledgement

Particulars	Details/Definition
Identified Date	The date falling on the 10 th (Tenth) Working Day prior to the commencement of the Tendering Period i.e., January 10, 2023, for the purpose of determining the Shareholders to whom the Letter of Offer in relation to this Offer shall be sent
Indian Rupees or Rs. or INR	Indian Rupees or Rupees
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
Letter of Offer/LOF	Letter of Offer dated [●], duly incorporating SEBI's comments on the Draft Letter of Offer, and including the Form of Acceptance
Manager/Manager to the Open Offer/Manager to the Offer	Fedex Securities Private Limited
Maximum Consideration/ Maximum Open Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being Rs. 93,60,000/-
N.A.	Not Applicable
NEFT	National Electronic Funds Transfer
NOC	No-objection certificate
NRIs	Non-resident Indians
NSDL	National Securities Depository Limited
Offer Opening Date	Expected date of commencement of the Tendering Period, i.e., January 24, 2023.
Offer Closing Date	Expected date of closure of the Tendering Period, i.e., February 07, 2023.
Offer/Open Offer	means the open offer for the acquisition of up to 13,000 (Thirteen Thousand) Equity Shares, representing 26.00% (twenty six percent) of the Voting Share Capital from the Public Shareholders of Target Company
Offer Price	Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share, payable in cash
Offer Shares	Upto 13,000 (Thirteen Thousand) Equity Shares, representing 26% of the Voting Share Capital of the Target Company
OCBs	Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended
PA/Public Announcement	The Public Announcement dated December 03, 2022 issued by the Manager on behalf of the Acquirer, in connection with the Open Offer.
PAN	Permanent Account Number
Public Shareholders	shall mean all the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the Acquirer, existing members of the promoter and promoter group of the Target Company, and persons deemed to be acting in concert with the Acquirer.
RBI	Reserve Bank of India
Registrar/Registrar to the Open Offer/Registrar to the Offer	Link Intime India Private Limited

Particulars	Details/Definition
Sellers/Selling Shareholders/Promoter Selling Shareholders/promoters	Hariprasad Nevatia (“ Seller 1 ”), Vandana Nevatia (“ Seller 2 ”), Kusum Nevatia (“ Seller 3 ”), Sudha Nevatia (“ Seller 4 ”), Mridula Nevatia (“ Seller 5 ”), Harsh Nevatia (“ Seller 6 ”) and Sudhir Nevatia (“ Seller 7 ”) collectively referred to as the Sellers/ Selling Shareholders.
SEBI	The Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended or modified
Special Escrow Account	Special Escrow Account opened in accordance with Regulation 21 of the SEBI (SAST) Regulations, under the name and style of “Vishal Thakkar Special Escrow Account” with ICICI Bank Limited, the Escrow banker.
SPA or Agreement	Share Purchase Agreement dated December 03, 2022 entered between Acquirer and the Sellers
Stock Exchange	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE Limited
Target/Target Company	The Indian Link Chain Manufacturers Limited
Tendering Period	Period expected to commence from January 24, 2023 and close on February 07, 2023, both days inclusive.
Voting Share Capital	shall mean the total voting equity share capital of the Target Company carrying voting rights expected as on the 10 th working day from the closure of the tendering period under this Offer.
Working Day(s)	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai.

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

2. DISCLAIMER CLAUSES

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

3. DETAILS OF THE OPEN OFFER

3.1. Background to the Open Offer

- 3.1.1. This Open Offer is a Mandatory Offer under regulation 3(1) and 4 of the SEBI (SAST) Regulation, pursuant to the execution of the SPA to acquire in excess of 25% of the Voting Share Capital of the Target Company and control over the Target Company.
- 3.1.2. On December 03, 2022 the Acquirer entered into a SPA with the Selling Shareholders to acquire 27,488 equity shares, constituting 54.98% of the Voting Share Capital of Target Company. The Acquirer has agreed to acquire the Equity Shares under the SPA at Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share aggregating to Rs. 1,97,91,360/- (Rupees One Crore Ninety-Seven Lakhs Ninety-One Thousand Three Hundred and Sixty Only) along with control over the Target Company (“**Underlying Transaction**”). The completion of the Underlying Transaction under the SPA is subject to the satisfaction of certain conditions under the SPA as stated below.
- 3.1.3. The details of the Selling Shareholders, who entered into the SPA, on December 03, 2022, with the Acquirer is stated hereunder:

Sr. No.	Name of Selling Shareholder	Address	Nature of Entity	Part of Promoter/ Promoter	Details of Shares/ Voting Rights held by the Selling Shareholder
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				Group (Yes/No)	Pre- Transaction	%	Post Transaction	%
1.	Hariprasad Nevatia	B-1504 Ashok Gardens, Tokersi Jivraj Road, Sewree, Mumbai 400015.	Individual	Yes	12,882	25.76	Nil	Nil
2.	Vandana Nevatia	B-1204 Ashok Gardens, Tokersi Jivraj Road, Sewri Mumbai 400015	Individual	Yes	6,438	12.88	Nil	Nil
3.	Kusum Nevatia	B-1504 Ashok Gardens, Tokersi Jivraj Road, Sewree, Mumbai 400015.	Individual	Yes	6,412	12.82	Nil	Nil
4.	Sudha Nevatia	B-1504 Ashok Gardens, Tokersi Jivraj Road, Sewree, Mumbai 400015.	Individual	Yes	696	1.39	Nil	Nil
5.	Mridula Nevatia	B-1204 Ashok Gardens, Tokersi Jivraj Road, Sewri Mumbai	Individual	Yes	640	1.28	Nil	Nil

		400015						
6.	Harsh Nevatia	B-1504 Ashok Gardens, Tokersi Jivraj Road, Sewree, Mumbai 400015.	Individual	Yes	390	0.76	Nil	Nil
7.	Sudhir Nevatia	B-1204 Ashok Gardens, Tokersi Jivraj Road, Sewri Mumbai 400015	Individual	Yes	30	0.06	Nil	Nil
Total					27,488	54.98	Nil	Nil

3.1.4. The Acquirer is making this Open Offer under Regulation 3 (1) and 4 of SEBI (SAST) Regulations, to acquire up to 13,000 (Thirteen Thousand) fully paid-up equity shares of face value of Rs. 100/- (Rupees One Hundred Only) each representing the entire public shareholding constituting 26% of the Voting Share Capital (“**Offer Shares**”) at a price of Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share (“**Offer Price**”) from the Public Shareholders of Target Company on such terms and conditions as set out in this Draft Letter of Offer. These Shares are to be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.1.5. The SPA also set forth the terms and conditions on which the Sellers has agreed to sell, and the Acquirer has agreed to purchase the Sale shares and the respective rights and obligations of the Seller and the Acquirer in this respect.

3.1.6. **Salient features of the Share Purchase Agreement between the Acquirer and the Promoter Selling Shareholder**

a) Upon completion of the Offer

- (i) the Sellers shall hand over all corporate records and books, fixed deposit receipts, all passwords, keys and other things to enable the Acquirer to have complete access to all books and records and properties of the Target Company along with all original documents available with them pertaining to the Target Company and/ or the Business. The Seller nominees on the Board shall resign as directors on the Board at the earliest in compliance with the applicable SEBI Regulations;
- (ii) The Sellers shall submit an application addressed to the Target Company requesting that their names be removed as promoters of the Target Company; and

(iii) Immediately upon completion of the transfer of Sale Shares to the Acquirer, the Sellers shall in compliance with the applicable SEBI Regulations procure convening of a meeting of the Board, at which meeting the Board shall (a) take a note of the transfer of the Sale Shares and start the process for the re-classification of “promoters” such that the Sellers are not disclosed as ‘promoters’ (b) appoint nominees of the Acquirer as additional directors on the Board; (c) Take note of the resignation of the Seller nominees as directors on the Board; (d) adopt such resolutions as they may deem fit including for change of authorized signatory to the Bank Account and FDR Accounts of the Target Company, and/or the transfer of the FDR to any bank account in the name of the Target Company designated by the Acquirer and (e) adopt a resolution to shift the registered office of the Target Company from its present location to Near Hindu Sabha Hospital, Sanitorium Lane, Room No 4, Tulsidas Kunverji Sanitorium Trust, Ghatkopar West, Mumbai 400086, Maharashtra, India.

b) Standstill provisions

Pending completion of the transactions contemplated in the SPA, the Sellers have agreed to certain standstill obligations including the following: the Sellers shall ensure that the Target Company shall (i) conduct its business only in the ordinary course of business (ii) shall not declare any dividends; or (iii) shall not alter the dividend policy of the Company; or (iv) shall not alter or change the legal structure or capital structure of the Company, save and except as contemplated by this transaction or (v) shall not use the money in the bank account, including amount credited on maturity of the fixed deposits except as provided in point (vi) of this clause or (vi) shall not incur any expenses in excess of Rs. 5,00,000/- (Rupees Five Lakhs Only) per month other than statutory payments including but not limited to listing fees, professional fees, income tax or other statutory payments.

c) Indemnities and Warranties

The Selling Shareholders have provided customary indemnities and warranties to the Acquirer under the SPA.

d) On the Completion Date:

The Acquirer and Sellers shall first try to complete the transaction, not later than six Working Days from the date of Observation Letter, with regard to sale shares to be executed through the secondary market mechanism via Stock Exchange Platform. The Parties shall place the requisite orders with their respective brokers for the sale or purchase of such Sale Shares in accordance with secondary market mechanism of BSE Limited where the equity shares of the company are listed.

In the event that the transaction cannot be consummated in part or full via the Stock Exchange Platform as specified under sub-clause (i) above for any reasons, then in that event, subject to compliance with the applicable laws in that regard the Sale Shares or the balance shares, as the case may be, will be sold and acquired in off market transactions within the Completion Period.

- 3.1.7. The prime object of the Offer is the substantial acquisition of Equity Shares and Voting Share Capital and control over the management and affairs of the Target Company.
- 3.1.8. The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.1.9. There is/ are no person acting in concert/s with the Acquirer within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations in relation to the Offer.
- 3.1.10. As on the date of DLOF, the Acquirer has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 (‘SEBI Act’) as amended

or under any other regulation made under the SEBI Act.

- 3.1.11. As on the date of DLOF, the Acquirer has not been categorized in the list of wilful defaulters of any bank, financial institution, or consortium thereof in accordance with guidelines on wilful defaulters issued by Reserve Bank of India.
- 3.1.12. As on the date of DLOF, the Acquirer has not been categorized as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 3.1.13. Upon consummation of the Underlying Transaction contemplated in the SPA, the Acquirer will acquire control over the Target Company and will become the promoter of the Target Company upon compliance with the SEBI LODR Regulations.
- 3.1.14. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS was published.
- 3.1.15. The Acquirer and the sellers have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations.
- 3.1.16. Acquirer may, subject to payment of consideration exercise the option of appointing directors prior to the completion of the Open Offer not later than six working days from the date of final comments from SEBI on the Draft Letter of Offer i.e., Observation Letter or after the expiry of 21 (twenty-one) working days from the date of detailed public statement and complete the acquisition of sale shares and control over the company by depositing the Open Offer consideration.
- 3.1.17. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirer will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

3.2. Details of the proposed Offer

- 3.2.1. The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was filed on December 03, 2022 with SEBI, BSE and the Target Company. The copy of the PA was sent to the SEBI on December 05, 2022 in terms of Regulation 14(1) & 14(2) of the SEBI (SAST) Regulations. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.2. The Detailed Public Statement dated December 08, 2022, was subsequently published in the following newspapers on December 09, 2022 in accordance with Regulation 14(3) of SEBI (SAST) Regulations:

Publication	Edition
Financial Express (English)	All Editions
Navakal (Marathi)	Mumbai Edition
Jansatta (Hindi)	All Editions

- 3.2.3. The DPS was also submitted to SEBI and the BSE and sent to the Target Company on December 09, 2022. The DPS is also available on the website of SEBI at www.sebi.gov.in and BSE website at www.bseindia.com
- 3.2.4. This offer is being made by the Acquirer to all the Public Shareholders of the Target Company for the acquisition of up to 13,000 (Thirteen Thousand) fully paid-up equity shares of face value of Rs. 100/- (Rupees One Hundred Only) each representing the entire public shareholding constituting 26% of the Voting Share Capital (“Offer Shares”) at a price of Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share (“Offer Price”), which has been calculated in accordance with Regulation 8 and other applicable provisions of the SEBI (SAST) Regulations, 2011, aggregating to a total consideration of Rs. 93,60,000/- (Rupees Ninety-Three Lakhs Sixty Thousand Only), assuming full acceptance of the Offer (“Maximum Open Offer Consideration”), subject to the terms and conditions mentioned herein.
- 3.2.5. As on the date of this Draft Letter of Offer, the Target Company doesn’t have:
- Outstanding instruments in warrants or options or fully or partly convertible debentures/preference shares/ employee stock options etc., which are convertible into Equity Shares at a later stage;
 - Equity Shares which are forfeited or kept in abeyance;
 - Equity Shares which are subject to any lock-in obligations.
- 3.2.6. The Offer Price is the price arrived at in accordance with Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, i.e., Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.2.7. There are no partly paid-up shares in the Target Company.
- 3.2.8. There is no differential pricing in the Offer.
- 3.2.9. This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 3.2.10. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations. The Acquirer will accept the Equity Shares of The Indian Link Chain Manufacturers Limited tendered in valid form in terms of this Offer upto 13,000 (Thirteen Thousand) fully paid-up Equity Shares of Rs. 720/- (Rupees Seven Hundred and Twenty only) being 26.00% of the Voting Share Capital of the Target Company.
- 3.2.11. The Acquirer has not acquired any Equity Shares of the Target Company between the date of the PA (i.e., December 03, 2022) and up to the date of this DLOF.
- 3.2.12. All the Equity Shares validly tendered by the Public Shareholders of the Target Company in this Open Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the PA, the DPS, and those which will be set out in the Letter of Offer to be sent to all Public Shareholders in relation to this Offer (“Letter of Offer” or “LOF”).
- 3.2.13. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers

declared thereof and in accordance with the terms and conditions set forth in the Public Announcement, the Detailed Public Statement and as will be set out in the Letter of Offer, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.

- 3.2.14. The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 3.2.15. As on the date of this DLOF, there are no statutory approvals required to complete Underlying Transaction and to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer 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. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 3.2.16. Currently, the Acquirer does not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company or any of its subsidiaries, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company or its subsidiaries. If the Acquirer intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.
- 3.2.17. Upon completion of the Offer, assuming full acceptance in the Offer, the Acquirer will hold 40,448 (Forty Thousand Four Hundred and Forty-Eight) Equity Shares representing 80.98% of the Voting Share Capital of the Target Company as on the tenth working day after the closure of the Tendering Period. As per Regulation 38 of SEBI (LODR) Regulations, 2015 read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules 1957 (SCRR), the Acquirer is required to maintain at least 25 percent public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to the completion of this Offer, the Public Shareholding in the Target Company may fall below the minimum level required as per Rule 19A of the SCRR. Acquirer hereby undertakes to reduce their shareholding to the level stipulated in the SCRR and within the time specified therein and through permitted routes

available under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any other such routes as may be approved by SEBI from time to time.

- 3.2.18. The Acquirer has appointed Fedex Securities Private Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of this DLOF and is not related to the Acquirer and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.19. If the Acquirer acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

3.3. Object of the Open Offer

- 3.3.1. The prime object of the Offer is the substantial acquisition of Equity Shares and Voting Share Capital and control over the management and affairs of the Target Company. The Acquirer reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with the laws applicable.
- 3.3.2. The Acquirer may at its discretion seek to effect changes to the Board of Directors of the Target Company, in accordance with applicable laws (including, without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and Regulation 24 of the SEBI (SAST) Regulations, 2011. No proposal in this regard has been finalized as on the date of this Draft Letter of Offer
- 3.3.3. The Acquirer may change or diversify its business activities in future with prior approval of the shareholders and as specified under the object clause of Memorandum of Association of the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.4. The Acquirer have no plans to alienate any significant assets of the Target Company for a period of two years except in the ordinary course of business. 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 Acquirer undertake that it 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 provisions of applicable law as may be required.
- 3.3.5. The Acquirer reserve the right to streamline/ restructure, pledge/ encumber its holding in the Target Company and/ or the operations, assets, liabilities and/ or businesses of the Target Company, reconstructions, restructurings, mergers, demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/ operating arrangements, at a later date in accordance with applicable laws. Such decisions will be taken in accordance with procedures set out under applicable law, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.
- 3.3.6. After the completion of this Open Offer and pursuant to the acquisition of shares under SPA, the Acquirer will hold the majority of Equity Shares by virtue of which the Acquirer shall be in a

position to exercise effective control over the management and affairs of the Target Company.

- 3.3.7. Pursuant to this Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirer shall become the promoter of the Target Company and the Selling Shareholders will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations, 2015.

4. BACKGROUND OF THE ACQUIRER

The details of the Acquirer are as follows:

Vishal Thakkar

- 4.1. Mr. Vishal Thakkar, s/o Shri Pravin Thakkar aged about 43 years, is an Indian resident and residing at Near Hindu Sabha Hospital, Sanitorium Lane, Room No.4, Tulsidas Kunverji Sanatorium Trust, Ghatkopar West - 400086, Maharashtra, India.
- 4.2. The Acquirer is an under graduate and engaged in business of trading and supply automobile spares parts and components.
- 4.3. As on the date of this DLOF, Acquirer does not hold any Equity Shares directly or indirectly of the Target Company and has not acquired any Equity shares of the Target Company during the 12 (Twelve) months period prior to the date of Public Announcement.
- 4.4. As on the date of this DLOF, Acquirer is not holding any position(s) on the Board of Director of the Target Company or any other listed companies.
- 4.5. As on the date of this DLOF, the Acquirer does not belong to any group.
- 4.6. Ankit Parekh, Chartered Accountant (Membership No. 114622) of Ankit Parekh & Associates, Chartered Accountants bearing UDIN 22114622BFAHNA4217 has certified vide his certificate dated December 03, 2022 that the net worth of Acquirer as on December 03, 2022 is Rs. 95,81,785 (Rupees Ninety-Five Lakhs Eighty-One Thousand Seven Hundred Eighty-Five Only) and further vide its certificate dated December 03, 2022 bearing UDIN 22114622BEUGFG7796 has confirmed that the Acquirer has sufficient liquid funds to fulfill his parts of obligations under this offer.
- 4.7. As on the date of this DLOF, the Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.8. As on the date of this DLOF, the Acquirer has not been categorized as a 'wilful defaulters' in terms of Regulation (1) (ze) of the SEBI (SAST) Regulations, 2011.
- 4.9. As on the date of this DLOF, the Acquirer has not been declared as a Fugitive Economic Offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018) as per Regulation 2(1) (ja) of SEBI (SAST) Regulations, 2011.
- 4.10. The Acquirer undertakes that he will not sell any Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.11. The Acquirer have not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.
- 4.12. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to the Acquirer as he does not hold any shares in the Target Company
- 4.13. The Acquirer has no interest in the Target Company, except to the extent of acquiring the Shareholding, Voting Share Capital and control over the Target Company.
- 4.14. There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

5. **BACKGROUND OF THE TARGET COMPANY**

The Indian Link Chain Manufacturers Limited* (“Target Company”):

** As per Certificate of Incorporation dated October 31, 1956.*

- 5.1. The Target Company is a listed public limited company incorporated under the provisions of the Companies Act, 1956 on October 31, 1956.
- 5.2. There has been no change in the name of the Target Company in the last three years.
- 5.3. The Registered Office of the Target Company is situated at 59, Sonawala Building, 2nd Floor, Mumbai Samachar Marg Fort, Mumbai-400023, Maharashtra, India. Tel. No. 022-22661013, 22665519. The CIN of the Target Company is L28920MH1956PLC009882.
- 5.4. The Equity Shares of the Target Company are listed on BSE Ltd (Security ID: INLCM; Scrip Code: 504746). The ISIN of the Equity Shares of the Target Company is INE359D01016. The Equity Shares of the Target Company have not been delisted from any Stock Exchange in India.
- 5.5. The Equity Shares of the Target Company are in-frequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.
- 5.6. As on date of this DPS, the trading in Equity Shares of the Target Company is not suspended at BSE Limited. The trading in Equity Shares of Target Company is under “P/T+1” Category.
- 5.7. As on the date of this DLOF, the authorised share capital of the Target Company is Rs. 1,00,00,000/- (Rupees One Crore Only) consisting of 1,00,000 (One Lakh) Equity Shares of Rs. 100/- (Rupees One Hundred Only) each. The issued, subscribed and fully paid-up share Capital of the Target company is Rs. 50,00,000/- (Rupees Fifty Lakhs Only) consisting of 50,000 (Fifty Thousand) Equity Shares of Face Value Rs. 100/- (Rupees One Hundred Only) each.
- 5.8. The existing equity share capital structure of the Target Company, as on the date of this DLOF, is as follows:

Paid up Equity Shares of Target Company	No. of Equity Shares/Voting rights	% Of shares/voting rights
Fully paid-up equity shares	50,000	100.00%
Partly paid-up equity shares	-	-
Total paid up equity shares	50,000	100.00%
Total voting rights in TC	50,000	100.00%

- 5.9. The Board of Directors of the Target Company as on the date of DLOF are as follow:

Name of the Director	DIN	Date of Appointment	Designation
Sudhir Hariprasad Nevatia	00001258	August 14, 2018	Managing Director
Harsh Hariprasad Nevatia	06515980	August 14, 2018	Managing Director
Balkrishna Ramavatar Jhunjhunwala	00776395	July 24, 2018	Non-Executive Independent Director

Name of the Director	DIN	Date of Appointment	Designation
Nagesh Tiwari	08177098	July 24, 2018	Non-Executive Independent Director
Vandana Sudhir Nevatia	07123272	March 30, 2015	Non-Executive Non-Independent Director

- 5.10. As on the date of this DLOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.
- 5.11. There has been no merger/ de-merger, spin off during last 3 years involving the Target Company.
- 5.12. The Managing Director and the Chief Financial Officer of the Target Company is the same person. i.e. Sudhir Nevatia.
- 5.13. As on the date of this DLOF, there is no suspension in trading of equity shares of the Target Company. However, earlier BSE notice dated May 10, 2010, bearing notice no. 20100510-7 had revoked the suspension in trading of equity shares of the Target Company w.e.f. Friday, May 14, 2010.
- 5.14. The promoters have in the past had made delayed disclosures in accordance with the provisions of Chapter V of the SEBI (SAST) Regulations, the details of which are specified as under:

Sr No	Name of Promoters	Regulation	Financial Year	Due-Date of Compliance	Actual Compliance Date	Delay, if any	Status of Compliance with the Takeover Regulations
1.	Hariprasad A Nevatia Harsh Nevatia Kusum Nevatia Mridula Nevatia Pravin K Nevatia Sudha Nevatia Sudhir Nevatia Vandana Nevatia	30(1) & 30(2)	2013-14	April 09, 2014	April 15, 2014	Delay of 6 days	Complied

Due to the aforesaid violations, SEBI may initiate appropriate action against the promoters for the aforesaid violation in terms of the SEBI (SAST) Regulations and provisions of the SEBI Act.

- 5.15. The Target Company have in the past had made delayed disclosures in accordance with the

provisions of SEBI (LODR) Regulations 2015:

Sr No.	SEBI LODR Regulation	Compliance for Quarter	Due Date of Compliance	Actual Date of Compliance	Delay (Yes/No)
1.	Regulation 33 – Quarterly Financial Results	June, 2017	August 15, 2017	September 01, 2017	Yes
2.		September, 2017	November 15, 2017	December 04, 2017	Yes

- 5.16. Key financial information of the Target Company based on its audited financial statements as on and for the financial years ended March 31, 2020, March 31, 2021 and March 31, 2022 and unaudited financial information for the 6 months ended September 30, 2022 (limited reviewed by Statutory Auditors of Target Company) is as below–

(in Rs. Lakhs, except for earnings per share)

Particulars	For the period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	(Unaudited, Limited Review Report)	Audited	Audited	Audited
Profit & Loss Statement				
Revenue from operations	-	-	22.06	78.26
Other Income	7.06	22.91	29.95	35.98
Total Income	7.06	22.91	51.71	114.23
Total Expenditure	34.34	67.69	89.10	148.76
Profit before Depreciation, Interest & Tax	(27.28)	(44.78)	(37.39)	(34.53)
Depreciation	8.90	1.39	1.39	1.20
Finance costs	-	-	-	-
Profit / (Loss) before Tax and exceptional item	(27.94)	(46.17)	(38.78)	(35.72)
Exceptional items	-	-	-	-
Profit / (Loss) before Tax	(27.94)	(46.17)	(38.78)	(35.72)
Provision for Tax (inc Deferred tax & Tax for	-	-	-	-

Particulars	For the period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	(Unaudited, Limited Review Report)	Audited	Audited	Audited
earlier years)				
Profit / (Loss) after Tax	(27.94)	(46.17)	(38.78)	(35.72)
Balance Sheet Statement				
Sources of Funds				
Paid up share capital	50.00	50.00	50.00	50.00
Reserves & Surplus (excluding revaluation reserves)	280.88	308.83	355.00	393.78
Net Worth	330.88	358.83	405.00	443.78
Secured Loans	-	-	-	-
Unsecured Loans	-	-	-	-
Total	330.88	358.83	405.00	443.78
Uses of Funds				
Net Fixed Assets	6.40	7.06	8.45	9.84
Investments (including FD)	342.00	100.00	410.00	450.00
Net Current Assets	(20.66)	247.11	(15.82)	(19.77)
Total Miscellaneous Expenditure not written off	-	-	-	-
Total	327.74	354.17	402.63	440.07
Other Financial Data				
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Equity Share	(55.88)	(92.34)	(77.56)	(71.44)

Particulars	For the period ended September 30, 2022	March 31, 2022	March 31, 2021	March 31, 2020
	(Unaudited, Limited Review Report)	Audited	Audited	Audited
(Not Annualized)				

The major Contingent liabilities as on September 30, 2022:

There are no outstanding disputed contingent tax liability except the custom liability which may arise in future. The company had initially received a demand order from Customs Authorities in FY 11-12 to the tune of Rs. 75,49,799/- (already provided in books to the extent of Rs. 36,41,450/-) against which the company had filed an appeal. The Commissioner (Appeals) via order dated 24.03.2021 set aside the demand raised and remanded the matter back to the original adjudicating authority for re-assessment.

**As Certified by Statutory Auditor of the Target Company, Kanu Doshi Associated LLP, Chartered Accountants (Firm Registration Number: 104746W/W100096) as Certified by Kunal Vakharia (Membership Number: 148916)*

5.17. There contingent liabilities for the three financial years are as stated below:

Year	Liability Description*
2021-22	There are no outstanding disputed/undisputed tax liability except the custom liability which may arise in future. The company had initially received a demand order from Customs Authorities in FY 11-12 to the tune of Rs. 75,49,799/- (already provided in books to the extent of Rs. 36,41,450/-) against which the company had filed an appeal. The Commissioner (Appeals) via order dated 24.03.2021 set aside the demand raised and remanded the matter back to the original adjudicating authority for re-assessment.
2020-21	There are no outstanding disputed/undisputed tax liability except the custom liability which may arise in future. The company had initially received a demand order from Customs Authorities in FY 11-12 to the tune of Rs. 75,49,799/- (already provided in books to the extent of Rs. 36,41,450/-) against which the company had filed an appeal. The Commissioner (Appeals) via order dated 24.03.2021 set aside the demand raised and remanded the matter back to the original adjudicating authority for re-assessment.
2019-20	During the earlier years the company had initially received Show Cause Notice demanding duty of Rs. 1,45,65,801/- which in view of the department escaped assessment on import of sulphur for the chemical division in the year 2004-2005 to 2005-2006. Representations were made disputing the charge of the duty. During the previous year order had been received from Custom Authorities raising Demand of Rs. 75,49,799/-. The company has filed appeal against the same. However, as a matter of prudence the directors decided to continue the provision of Rs. 36,41,450/- made in the previous year. Balance of Rs. 39,08,349/- (Previous Year Rs. 39,08,349/-) is shown as Contingent Liabilities

**As Certified by Statutory Auditor of the Target Company, Kanu Doshi Associated LLP, Chartered Accountants (Firm Registration Number: 104746W/W100096) as Certified by Kunal Vakharia (Membership Number: 148916)*

5.18. Pre- and Post-Offer shareholding pattern of the Target Company as on the date of this Draft Letter of Offer is as follows:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreements/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to SPA which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
		No.	%	No.	%	No.	% [^]	No.	% [^]
1.	Promoter & Promoter Group								
	a. Parties to the SPA					-	-	-	-
	Hariprasad Nevatia	12,882	25.76	(12,882)	(25.76)	-	-	-	-
	Vandana Nevatia	6,438	12.88	(6,438)	(12.88)	-	-	-	-
	Kusum Nevatia	6,412	12.82	(6,412)	(12.82)	-	-	-	-
	Sudha Nevatia	696	1.39	(696)	(1.39)	-	-	-	-
	Mridula Nevatia	640	1.28	(640)	(1.28)	-	-	-	-
	Harsh Nevatia	390	0.76	(390)	(0.76)	-	-	-	-
	Sudhir Nevatia	30	0.06	(30)	(0.06)	-	-	-	-

Sr. No.	Shareholdercategory	Shareholding & voting rights prior to the agreements/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to SPA which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
	b. Promoters Other than (a) above	-	-	-	-	-	-	-	-
	Total 1 (a+b)	27,488	54.98	(27,488)	(54.98)	-	-	-	-
2.	Acquirers								
	(a) Parties to agreement other than (1) Acquirer: Vishal Thakkar	-	-	27,488	54.98	13,000	26.00%	40,488	80.98
	(b) PAC	-	-	-	-	-	-	-	-
	Total 2 (a+b)	-	-	27,488	54.98	13,000	26.00%	40,488	80.98
3	Public (other than parties to the agreement & Acquirer)								
	(a) Financial Institutions/Banks	39	0.08	-		(13,000)	(26.00)	9512	19.02
	(b) Others	22,473	44.95						

Sr. No.	Shareholdercategory	Shareholding & voting rights prior to the agreements/acquisition and offer (A)		Shares/voting rights agreed to be acquired pursuant to SPA which triggered off the Takeover Regulations (B)		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)		Shareholding/voting rights after the acquisition and Offer	
	Total (a+b)	22,512	45.02	Nil	Nil	(13,000)	26.00	9512	19.02
	Grand Total	50,000	100.00	27,488	54.98			50,000	100.00

Notes:

1. Shareholding Pattern is based on Quarter ended September 30, 2022.
2. All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.
3. There are 1242 (One Thousand Two Hundred and Forty-Two) Public Shareholders as per the shareholding pattern filed with BSE for the quarter ending September 30, 2022.
4. Acquirer have not acquired any shares from the date of PA till the date of this Draft Letter of Offer.
5. Pursuant to this Offer and the transactions contemplated in the SPA, the Acquirer shall become the promoter of the Target Company and the Selling Shareholders will cease to be the promoter of the Target Company in accordance with the provisions of Regulation 31A of the SEBI (LODR) Regulations, 2015.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Offer Price

6.1.1. The Equity Shares of the Target Company are listed & traded on BSE only (Security ID: INLCM; Scrip Code: 504746) and is traded under “P/T+1” Group.

6.1.2. The trading turnover in the Equity Shares of the Target Company on BSE Ltd based on trading volume during twelve calendar months preceding the month of PA (December 01, 2021 to November 30, 2022) is given below:

Name of the Stock Exchange	Total number of equity shares traded during twelve calendar months preceding the month of PA	Total Number of Listed Equity Shares	Trading Turnover (in terms of % to Total Listed Equity Shares)
BSE Ltd	780	50,000	1.56

Source: www.bseindia.com.

6.1.3. Based on above, the Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.

6.1.4. The Offer Price of Rs 720/- (Rupees Seven Hundred & Twenty Only) per fully paid-up Equity Share has been determined as per provision of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, taking into account the following parameters:

Sr. No	Particular	Amount
A.	Negotiated Price per Equity Share under the Share Purchase Agreement attracting the obligation to make a Public Announcement of an open offer;	Rs. 720/- per Equity Share.
B.	The volume-weighted average price paid or payable for acquisitions by the Acquirer during the fifty-two weeks immediately preceding the date of the Public Announcement.	Not Applicable
C.	The highest price paid or payable for any acquisition by the Acquirer during the twenty-six weeks immediately preceding the date of the Public Announcement.	Not Applicable
D.	The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed.	Not Applicable

Sr. No	Particular	Amount
E.	Since the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Open Offer taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies.	Rs. 662/- per Equity Share.

**As per valuation report dated December 03, 2022 as certified by Navigant Corporate Advisors Limited SEBI Registered Merchant Banker.*

- 6.1.5. In view of the above parameters considered and presented in the table above, in the opinion of the Acquirer and Manager to the Offer, the Offer Price of Rs 720/- per Equity Share being the highest of the price mentioned above is justified in terms of Regulation 8(2) of SEBI (SAST) Regulations.
- 6.1.6. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. The Offer Price and/ or the Offer Size may be subject to upward revision, if any, pursuant to the provisions of Regulation 18 (4) of the SEBI (SAST) Regulations, at any time prior to commencement of the last 1 (One) Working Day prior to the Tendering Period i.e., Monday, January 23, 2023, and the same would also be informed by way of a public announcement in the Newspapers. Where the Acquirer have acquired any Equity Shares during the Offer Period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with the provisions of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3rd (Third) Working Day prior to the commencement of the Tendering Period, and until the expiry of the Tendering Period. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, BSE, and the Target Company at its registered office of such revision. Such revised Offer Price shall be payable by the Acquirer for all the Offer Shares validly tendered during the Tendering Period of this Offer.
- 6.1.7. As on the date of this DLOF, there have been no corporate actions in the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 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 DLOF up to 3 (three) working days prior to the commencement of the tendering period of the Offer, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 6.1.8. 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. If Acquirer acquire the Equity shares from the Sellers on market purchase for a price higher than the offer price, the Offer Price would stand revised to the highest price paid by the Acquirer to purchase the Equity shares from the Sellers under the SPA However, the Acquirer shall not acquire any Equity Shares after the third (3rd) working day prior to the commencement of the tendering period of this Offer and until the expiry of the tendering period of this Offer.

6.1.9. If the Acquirer acquires Equity Shares of the Target Company during the period of twenty- six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer as per the SEBI (SAST) Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.

6.2. Financial Arrangements

6.2.1. The total fund requirement for the Open Offer (assuming full acceptances) i.e., for the acquisition upto 13,000 (Thirteen Thousand) fully paid-up Equity Shares representing 26.00% of the Voting Share Capital of the Target Company at an Offer Price of Rs. 720/- (Rupees Seven Hundred and Twenty Only) per Equity Share is Rs. 93,60,000/- (Rupees Ninety-Three Lakhs Sixty Thousand Only) (the 'Maximum Consideration').

6.2.2. In terms of Regulation 25(1), the Acquirer have confirmed that they have adequate and firm financial arrangements to fulfilling the payment obligations under the Open Offer and that the Acquirer are able to the implement the Open Offer.

6.2.3. Ankit Parekh, Chartered Accountant (Membership No. 114622) of Ankit Parekh & Associates, Chartered Accountants bearing UDIN 22114622BFAHNA4217 has certified vide his certificate dated December 03, 2022 that the net worth of Acquirer as on December 03, 2022 is Rs. 95,81,785 (Rupees Ninety-Five Lakhs Eighty-One Thousand Seven Hundred Eighty-Five Only) and further vide its certificate dated December 03, 2022 bearing UDIN 22114622BEUGFG7796 has confirmed that the Acquirer has sufficient liquid funds to fulfill his parts of obligations under this offer.

6.2.4. In accordance with Regulations 17, the Acquirer, the Manager to the Offer have entered into an Escrow Agreement with and ICICI Bank ("Escrow Agent"), a banking corporation incorporated under the laws of India, having one of its branch offices at Churchgate, Mumbai, India entered into an Escrow Agreement dated December 03, 2022 for the purpose of the Offer ("Escrow Agreement"). Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has deposited Rs. 94,00,000/- (Ninety-Four Lakhs Only), which is 100% of the consideration of the value of the total consideration payable under the Offer (assuming full acceptance) in cash into an Escrow Account bearing name and style as "**Vishal Thakkar Escrow Account**". The Manager to the Offer is duly authorised by the Acquirer to operate and realize monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.

6.2.5. 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.

6.2.6. Further, in order to ensure that the funds that are payable to the Public Shareholders who tender in the Offer are managed more efficiently, the Acquirer have opened the Offer Special Account bearing name and style as 'Vishal Thakkar Special Escrow Account' with the ICICI Bank Limited under the Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations.

6.2.7. Based on the aforesaid financial arrangements made by the Acquirer, the escrow bank statement received from the Escrow Banker and on the confirmations received from Ankit Parekh & Associates, Chartered Accountant, the Manager to the Offer is satisfied that firm arrangements

have been put in place by the Acquirer to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations

- 6.2.8. In case of upward revision of the Offer Price and/ or the Offer Size, the Acquirers would deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18 (5) of the SEBI (SAST) Regulations, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OPEN OFFER

7.1. Operational Terms and Conditions

- 7.1.1.** The Letter of Offer will be mailed to all those Public Shareholders of the Target Company 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 January 10, 2023.
- 7.1.2.** The Identified Date for this Open Offer as per the indicative schedule of key activities is January 10, 2023. In terms of the indicative schedule of activities, the Tendering Period for the Offer shall commence on January 24, 2023 and closes on February 07, 2023.
- 7.1.3.** The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time from the commencement of the Tendering Period but prior to the Offer Closing Date. Subject to the receipt of the statutory approvals as specified in paragraph 7.3 of this DLOF, the Acquirer has up to 10 Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.4.** This Offer is being made by the Acquirer to (i) all the Public Shareholders, whose names appear in the Register of Members of the Target Company as of the close of business on the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of the business on the Identified Date; (iii) those Public Shareholders who acquire the Equity Shares any time prior to the date of closure of the Tendering Period for this offer but who are not the registered Public Shareholders.
- 7.1.5.** The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. The Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 7.1.6.** The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of SEBI (SAST) Regulations.
- 7.1.7.** The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirer has up to 10th (ten) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.8.** The Equity Shares tendered under this Offer shall be fully paid-up, free from all pledges, liens, charges, equitable interests, non-disposal undertakings and any other form of encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The

Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.

- 7.1.9.** In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.10.** The locked-in Equity Shares, if any, may be tendered in the Open Offer and transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager to the Open Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.
- 7.1.11.** The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms and conditions of this Open Offer. The Letter of Offer along with the Acceptance-cum-acknowledgement shall be dispatched (through e-mail) to all the public shareholders of the Target Company, whose names appear on register of members of the Target Company and to the owners of the Equity Shares whose name appears as beneficiaries on the records of the respective Depositories as on the Identified Date. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is also expected to be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.12.** The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer, which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.13.** The LOF shall be sent (through e-mail or physical mode) to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.linkintime.co.in), the Stock Exchanges (www.bseindia.com) or the Manager to the Offer (www.fedsec.in).
- 7.1.14.** Accidental omission to dispatch the LOF to any Public Shareholder entitled to this Open Offer or non-receipt of the LOF by any Public Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.1.15.** Public Shareholders to whom the Open Offer is being made are free to tender their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.1.16.** In terms of the provisions of Regulation 18 (9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in this Offer shall not be entitled to withdraw such

acceptance.

- 7.1.17.** Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected.
- 7.1.18.** The acceptance to the Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Acquirer shall not be responsible in any manner for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.) and the Public Shareholders are advised to adequately safeguard their interests in this regard.
- 7.1.19.** Copies of PA and DPS are available on the website of SEBI at www.sebi.gov.in and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI at www.sebi.gov.in.

7.2. Eligibility for accepting the Open Offer

- 7.2.1.** As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an Open Offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.
- 7.2.2.** This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.
- 7.2.3.** All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Open Offer.
- 7.2.4.** All Public Shareholders and/or beneficial owners who own Equity Shares of the Target Company any time before the closure of this Offer are eligible to participate in this Offer
- 7.2.5.** All Public Shareholders, (including resident or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them, in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Offer Shares.

- 7.2.6.** The acceptance of Equity Shares tendered in this Open Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.2.7.** The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
- 7.2.8.** The Acquirer, Manager, or the Registrar accept no responsibility for any loss of Equity Share certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard
- 7.2.9.** For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

7.3. Statutory and Other Approvals

- 7.3.1.** As on the date of this DLOF, there are no statutory approvals required to complete Underlying Transaction and to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirer shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer 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. Provided where the statutory approvals extend to some but not all Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or (b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this DLOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirer may be delayed
- 7.3.2.** In case of delay or non-receipt of any statutory approval which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.

- 7.3.3.** NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit copies of such approvals/exemptions along with the documents required to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. If the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.
- 7.3.4.** In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer in the event that any of the statutory approvals specified in this DLOF as set out in Part 7.3 (Statutory and Other Approvals) above or those which become applicable prior to completion of the Open Offer are finally refused. In the event of such a withdrawal of the Open Offer, the Acquirer (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and will also be filed with SEBI, BSE Limited and the registered office of the Target Company.
- 7.3.5.** The Acquirer does not require any approvals from Financial Institutions or Banks for this Offer.
- 7.3.6.** The Acquirer shall complete all procedures relating to payment of consideration under this Open Offer within 10 Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

- 8.1.** All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.
- 8.1.1.** The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ('Acquisition Window') as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular dated December 09, 2016, as per further amendment vide SEBI circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021.
- 8.1.2.** The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE in the form of a separate window ('Acquisition Window'). BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer
- 8.1.3.** Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
- 8.1.4.** In the event that the number of Equity Shares validly tendered by the Public Shareholders under

this Offer is more than the number of Equity Shares agreed to be acquired in this Offer, the Acquirer shall accept those Equity Shares validly tendered by such Public Shareholders on a proportionate basis in consultation with the Manager to the Offer.

- 8.1.5. The Acquirer has appointed Choice Equity Broking Private Limited (“Buying Broker”) for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer shall be made.

The contact details of the Buying Broker are as mentioned below:

Name of the Contact Person	Jeetender Joshi
Address	Choice House, Sunil Patodia Tower, J B Nagar, Andheri East, Mumbai – 400099
Tel No	022- 67079832.
Fax number	022- 67079999.
Email id	jeetender.joshi@choiceindia.com
Investor Grievance Email id	ig@choiceindia.com
Website	www.choiceindia.com
SEBI Registration No.	INZ000160131

- 8.1.6. Public Shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stock brokers (“Selling Broker”) within the normal trading hours of the secondary market, during the Tendering Period.
- 8.1.7. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.
- 8.1.8. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 8.1.9. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders
- 8.1.10. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
- 8.1.11. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the Offer Opening Date.
- 8.1.12. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).

- 8.1.13. Shareholders should not submit/tender their equity shares to Manager to the Open offer, the Acquirer or the Target Company.
- 8.1.14. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker viz. Choice Equity Broking Private Limited, to bid by using quick UCC facility.
- 8.2. Procedure for tendering Equity Shares held in Dematerialised Form:**
- 8.2.1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.2.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 8.2.3. The lien shall be marked in demat account of the Public Shareholders for the Equity Shares tendered in this Offer. The details of Equity Shares marked as lien in the demat account of the Eligible Public Shareholders shall be provided by Depositories to the Clearing Corporation.
- 8.2.4. For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.2.5. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 8.2.6. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.
- 8.2.7. The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 8.2.8. The duly filled in Delivery Instruction Slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer.
- 8.2.9. For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After the receipt of

the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.

- 8.2.10. For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- 8.2.11. Public Shareholders should not place orders through the Target Company, the Acquirer, the Manager to the Offer or the Registrar to the Offer.
- 8.2.12. Upon placing the order, the Seller Member shall provide a transaction registration slip generated by the exchange bidding system to the Eligible Public Shareholder on whose behalf the order has been placed. The TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.2.13. It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed acceptance form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the tender for this Offer shall be deemed to have been accepted.
- 8.2.14. The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.

8.3. **Procedure for tendering Equity Shares held in Physical form**

- 8.3.1. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 2020, shareholders holding securities in physical form are allowed to tender shares in an Open Offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations
- 8.3.2. The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- 8.3.3. Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
- 8.3.4. Original share certificate(s);
- 8.3.5. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
- 8.3.6. Self-attested PAN Card copy (in case of Joint holders, PAN card copies of all transferors);
- 8.3.7. Any other relevant document such as power of attorney, corporate authorization (including board

resolution/ specimen signature); and

- 8.3.8. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport
- 8.3.9. Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("TRS") generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 8.3.10. The Selling Broker(s)/ Public Shareholders has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post / speed post or courier or hand delivery to the Registrar to the Offer i.e., Link Intime India Private Limited at C101, 247 Park, LBS Road, Vikhroli West, Mumbai- 400083, Maharashtra, India) within 2 days of bidding by the Selling Broker and not later than 2 (two) days from the Closing offer period February 09, 2023 (by 5 PM (IST)). The envelope should be superscribed as "The Indian Link Chain Manufacturers Limited - 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.
- 8.3.11. Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirer shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as 'unconfirmed physical bids'. Once, the Registrar to the Offer confirms the orders it will be treated as 'confirmed bids'. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days after the Offer Closing Date shall be liable to get rejected.
- 8.3.12. In case any person has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Offer before Offer Closing Date.
- 8.3.13. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company
- 8.3.14. Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment. Public Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.
- 8.3.15. Procedure for tendering the Equity Shares in case of non-receipt of Letter of Offer**

- 8.3.16. 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 Offer.
- 8.3.17. A Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.
- 8.3.18. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgement will be dispatched to all the Public Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.
- 8.3.19. In case of non-receipt of the Letter of Offer, such eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, www.sebi.gov.in, and Public Shareholders can also apply by obtaining a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the registrar's website www.linkintime.co.in.
- 8.3.20. Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the Offer Closing Date.

8.4. **Acceptance of Equity Shares**

- 8.4.1. Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders 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. As per the recent amendment of SEBI vide its circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.

9. **SETTLEMENT PROCESS**

- 9.1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of

Equity Shares transferred to the Clearing Corporation.

- 9.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market
- 9.3. While it would be ensured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 9.4. For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction are rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 9.5. In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 9.6. The Equity Shareholders will have to ensure that they keep the depository participant ('DP') account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.
- 9.7. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.
- 9.8. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Open Offer. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.
- 9.9. Equity Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Equity Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Equity Shareholders.
- 9.10. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.

- 9.11. Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
- 9.12. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer
- 9.13. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 9.14. For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 9.15. The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 9.16. The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 9.17. Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirer accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- 9.18. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

10. NOTES ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 (AS AMENDED BY FINANCE ACT, 2021) AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW. THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY

MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

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

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

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

10.1. General:

- 10.1.1 The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax ("Taxpayer") during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31.
- 10.1.2 A person who is a resident in terms of Indian Income Tax Act, 1961, ("IT Act") he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself.
- 10.1.3 A person who is treated as a non-resident for the purpose of 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 be accrued 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".
- 10.1.4 Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

- 10.1.5 Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument (MLI) as ratified by India with the respective country of which the said shareholder is a tax resident; (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 10.1.6 Gains arising from the transfer of equity shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e., stock-in-trade).
- 10.1.7 As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess are levied at the rate of 4% of the income tax and surcharge
- 10.1.8 The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 10.1.9 The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- 10.1.10 The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to STT is set out below. All references to equity share herein refer to listed equity shares unless stated otherwise.
- 10.2. **Classification of Shareholders:** Shareholders can be classified under the following categories:
- i. Resident Shareholders being:
 1. Individuals, Hindu Undivided Family (HUF), Association of Persons ("AOP") and Body of Individuals ("BOI")
 2. Others
 - ii. Non-Resident Shareholders being:
 1. Non-Resident Indians (NRIs)
 2. Foreign Portfolio Investors (FPIs)
 3. Others:
 - a. Company
 - b. Other than company

10.3. **Classification of Shares:**

The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes ("CBDT"). The nature of gains/loss in the foregoing cases will be as under:

- i. Shares held as investment (Income from transfer of such shares taxable under the head "Capital Gains")
- ii. Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "Profits and Gains from Business or Profession")

10.4. Taxability of Capital Gains in the hands of shareholders

- (a) Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income-tax would depend on the period of holding.
- (b) Period of Holding: Depending on the period for which the shares are held, the gains would be taxable as 'short term capital gain' or 'long-term capital gain'. Such classification would be determined as under:
 - (a) Short-term Capital Asset ("STCA"): Equity shares held for less than or equal to 12 months
 - (b) Long-term Capital Asset ("LTCA"): Equity share held for more than 12 months
- (c) Accordingly, gains arising from transfer of a STCA are taxable as 'Short-term Capital Gains' ("STCG"). Gains arising from transfer of a LTCA are taxable as 'Long-term Capital Gains' ("LTCG").
- (d) As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if Securities Transaction Tax ("STT") has been paid on both, on purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds Rs. 1 lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- (e) Such LTCG will be computed without considering the indexation benefit as per provision of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act.
- (f) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- (g) As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- (h) Further the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders.
- (i) The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- (j) As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- (k) Long Term Capital Loss computed for a given year is allowed to be set off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set

off, is allowed to be carried forward for subsequent eight assessment years, for being setoff only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

- (l) Additional information in case of Foreign Institutional Investors (“FIIs”):
- (m) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
- (n) The provisions of Indirect transfer in terms of Explanation 5 to Section 9 of the IT Act do not apply to non-resident investors in FIIs referred to in Section 115AD and Category-I and Category-II Foreign Portfolio Investor (“FPI”) registered under Securities and Exchange Board of India (FPI) Regulations, 2014.
- (o) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%,
- (p) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding Rs. 1 lakh.
- (q) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.
- (r) The above rates are to be increased by applicable surcharge and cess.
- (s) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (t) The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

10.5. Additional Information in case of Non-resident Indians (“NRIs”):

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e., individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

- (i) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10% (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- (ii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets

are transferred or converted into money within 3 (three) years from the date of their acquisition.

- (iii) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- (iv) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
- (v) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.

10.6. Investment Funds:

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

10.7. Mutual Fund

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

1. Taxability of Business Income in the hands of the Shareholders:

- (a) Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.
- (b) In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
- (c) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including conditions specified under the Multilateral Instrument if applicable and providing and maintaining necessary information and documents as prescribed under the IT Act.

2. Withholding Tax implications:

(a) Remittance/Payment of Consideration

(i) Resident shareholders:

In the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to Public Shareholders pursuant to tendering of shares under the Open Offer.

(ii) Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

(iii) Non-resident shareholders (other than FIIs):

Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.

However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.

Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes. It is therefore recommended that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately. In the event the Acquirer are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

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

(iv) Remittance/Payment of Interest

a) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18 (11) of the SEBI (SAST) Regulations, the Acquirer will deduct TDS at the applicable rates in accordance with the provisions of the IT Act, so long as a Permanent Account number (“PAN”) is submitted by the shareholders. In case the PAN is not submitted or is invalid or does not belong to the shareholder, the applicable withholding tax rate would be the higher of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act. The provisions of Section 206AA will not apply if the non-resident shareholder provides to the payer the following documents:

1. name, e-mail id, contact number;

2. address in the country or specified territory outside India of which the shareholder is a resident;
 3. Tax Residency Certificate with details prescribed under rule 37BC or TRC with 10F if the TRC does not contain all such prescribed;
 4. Tax Identification Number/ Unique Identification Number of the shareholder.
- b) The TDS on interest payment as mentioned above is subject to the following exemptions:

Resident shareholders:

- There will be no TDS if interest payable does not exceed Rs 5,000/-
- There will be no TDS on interest payable to the following parties:
 - any banking company to which the Banking Regulation Act, 1949 (10 of 1949), applies;
 - any co-operative society engaged in carrying on the business of banking (including a co-operative land mortgage bank);
 - any financial corporation established by or under a Central, State or Provincial Act;
 - the Life Insurance Corporation of India established under the Life Insurance Corporation Act, 1956 (31 of 1956);
 - the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963); and
 - any company or co-operative society carrying on the business of insurance.
- There will be no TDS in the case of a SEBI registered mutual fund as per Section 10(23D) of the IT Act;
- There will be no TDS for any entity which is exempted as such by any notification issued under Section 197A (1F) of the IT Act;
- Nil or lower rate of TDS (as applicable) will be applied if the shareholder furnishes a certificate from the Income tax authorities under Section 197 of the IT Act

Non-resident shareholders:

Shareholders claiming benefit of DTAA should submit Tax Residency Certificate, Form 10F, Self-declaration confirming 'No permanent establishment in India' and such other documentation required to substantiate their claim as per the relevant provisions of the DTAA along with the Form of Acceptance. In the absence of the aforesaid documents, taxes would be deducted.

- c) Notwithstanding any of the above, in case of ambiguity, incomplete or conflicting information, or the information not being provided to the Acquirer, the Acquirer will arrange to deduct tax at the maximum marginal rate, as may be applicable to the relevant category to which the shareholder belongs under the IT Act (i.e., 40% in case of foreign company, 30% in case of all other category of persons, plus applicable surcharge and cess) on the interest payable to such shareholder.
- d) In the event, the Acquirer decides to withhold tax, the same shall be on the basis of the documents submitted along with the Form of Acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of

the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

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

3. Documents to be provided along with the Form of Acceptance:

- (a) Resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit a self-attested copy of the PAN card, and any of the following documents, as may be applicable:
 - (i) Certificate under Section 197 of the IT Act from the income-tax authorities indicating the amount of tax to be deducted by the Acquirer;
 - (ii) Self-attested declaration in respect of status of shareholder (e.g., individual, firm, company, trust, or any other – please specify) and residential status as per IT Act;
 - (iii) Self-declaration in Form 15G / Form 15H (in duplicate), if applicable;
 - (iv) SEBI registration certificate as a mutual fund;
 - (v) Documentary evidence (e.g., copy of relevant registration or notification) in support of the claim that the shareholder is a bank or entity covered in Section 194A(3)(iii) of the IT Act; and
 - (vi) SEBI registration certificate issued as Category I or Category II Alternative Investment Fund if the shareholder claims exemption from tax deduction under Section 197A (1F) of the IT Act.
- (b) Non-resident shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate on the interest amount, should submit the following documents, as may be applicable:
 - (i) Self-attested copy of PAN Card; or name, e-mail id, contact number; address in the country or specified territory outside India of which the shareholder is a resident;
Tax Residency Certificate; Form 10F; and
Tax Identification Number/ Unique Identification Number of the shareholder.
 - (ii) Tax Residency Certificate;
 - (iii) Form 10F;
 - (iv) Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India;
 - (v) Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirer;
 - (vi) Self-attested declaration in respect of status of shareholder (e.g., individual, firm, company, trust, or any other – please specify) and residential status as per IT Act; and
 - (vii) SEBI registration certificate for FII and FPI.

4. Tax Deduction Certificate

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

Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the Acquirer. The documents submitted by the shareholders along with the Form of Acceptance will be considered as final. Any further/ delayed submission of additional documents, unless specifically requested by the Acquirer will be accepted at the sole discretion of the Acquirer.

The final decision to deduct tax or not, or the quantum of taxes to be deducted rests solely with Acquirer.

5. Rate of Surcharge and Cess

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

➤ Surcharge

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

➤ Cess

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

6. Others

- i. Notwithstanding the details provided above, all payments will be made to the shareholders subject to compliance with prevailing tax laws.
- ii. The tax deducted by the Acquirer while making payment to a shareholder may not be the final tax liability of such shareholder and shall in no way discharge the obligation of the shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- iii. The Acquirer will deduct tax (if required) as per the information provided and representation made by the shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the shareholder, such shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax / appellate authority in India.
- iv. The Acquirer and the Manager to the Open Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

The tax rate and other provisions may undergo changes.

THE ABOVE DISCLOSURE ON TAXATION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE DISCLOSURES.

THE JUDICIAL AND ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS.

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

THE INFORMATION ON TAXATION MENTIONED HEREIN IS ON THE BASIS THAT THE OPEN OFFER SHALL BE COMPLETED THROUGH THE STOCK EXCHANGE SETTLEMENT MECHANISM MADE AVAILABLE BY STOCK EXCHANGES, AS PROVIDED UNDER THE SEBI (SAST) REGULATIONS AND SEBI CIRCULARS CIR/CFD/POLICYCELL/1/2015 DATED APRIL 13, 2015 AND CFD/DCR2/CIR/P/2016/131 DATED DECEMBER 09, 2016 AND BSE NOTICE NO. 20170202-34 DATED FEBRUARY 02, 2017, IN EACH CASE AS AMENDED FROM

TIME TO TIME.

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THE INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

THE ACQUIRER DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, ELIGIBLE EQUITY SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY IS INTENDED ONLY TO PROVIDE GENERAL INFORMATION TO THE SHAREHOLDERS AND IS NEITHER DESIGNED NOR INTENDED TO BE SUBSTITUTED FOR PROFESSIONAL TAX ADVICE. IN VIEW OF THE INDIVIDUAL NATURE OF TAX CONSEQUENCES, EACH SHAREHOLDER IS ADVISED TO CONSULT HIS/HER OWN TAX ADVISOR WITH RESPECT TO THE TAX IMPLICATIONS AND CONSEQUENCES ON TENDERING OF LISTED EQUITY SHARES OF THE TARGET COMPANY.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the Registered Office of the Manager to the Offer at Fedex Securities Private Limited, B7,3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle (E), Mumbai 400057, Maharashtra, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period:

- i. Copy of the Share Purchase Agreement dated December 03, 2022 executed between the Acquirer and the Sellers which triggered the Open Offer;
- ii. Copies of the annual reports of the Target Company for the financial years ended March 31, 2020, March 31, 2021, and March 31, 2022, and the unaudited Limited Review Financial Results for the half year ended September 30, 2022, reviewed by the statutory auditor of the Target Company;
- iii. Net worth Certificate dated December 03, 2022 issued by Ankit Parekh (Chartered Accountant (Membership No. 114622) of Ankit Parekh & Associates, Chartered Accountants bearing UDIN 22114622BFAHNA4217 certifying the Net worth of the Acquirer as on December 03, 2022 is Rs. 95,81,785 (Rupees Ninety-Five Lakhs Eighty-One Thousand Seven Hundred Eighty-Five Only).
- iv. Copy of the Escrow Agreement dated December 03, 2022 between the Acquirer & ICICI Bank Limited (Escrow Bank) and the Manager to the Open Offer;
- v. Adequacy Certificate dated December 03, 2022 issued by Ankit Parekh (Chartered Accountant (Membership No. 114622) of Ankit Parekh & Associates, Chartered Accountants bearing UDIN 22114622BEUGFG7796 certifying the adequacy of financial resources with Acquirer to fulfil the open offer obligations;
- vi. Copy of the valuation report dated December 03, 2022, as issued by Navigant Corporate Advisors Limited certifying the computation of the Offer Price

- vii. Bank Statement received from, ICICI Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- viii. Copy of the PA dated December 03, 2022 and submitted to the Stock Exchange(s), SEBI and Target Company;
- ix. Copy of the DPS dated December 08, 2022 published by the Manager to the Offer on behalf of the Acquirer on December 09, 2022;
- x. Copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company; and
- xi. Copy of the letter number [●] from SEBI dated [●] containing its observations on the Draft Letter of Offer.

12. DECLARATION BY THE ACQUIRER

- 12.1. The Acquirer accept full responsibility for the information contained in this DLOF including the Form of Acceptance-cum-Acknowledgement, except for the information with respect to the Target Company which has been compiled from information published or provided by the Target Company, as the case may be, or information publicly available sources and which information has not been independently verified by the Manager and shall be jointly and severally responsible for the fulfilment of obligations of the Acquirer under the SEBI (SAST) Regulations in respect of this Offer.
- 12.2. The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 12.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or the LOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company, have not been independently verified by the Manager. The Acquirer accepts full responsibility with respect to any information provided in the PA, the DPS, the DLOF or the LOF pertaining to the Target Company.

For and on behalf of Acquirer

Acquirer

Sd/-

Vishal Thakkar

Place: Mumbai

Date: December 16, 2022