

August 25, 2023

BSE Limited
P J Towers,
Dalal Street,
Mumbai - 400 001

Sub.: Open Offer under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "SEBI SAST Regulations") to the Eligible Shareholders of Khemani Distributors and Marketing Limited Limited (the "Target Company") by the Acquirers, along with PACs, (as defined in the Draft Letter of Offer)

Dear Sir / Madam,

This is with reference to the captioned subject and in continuation to our previous letters dated August 09, 2023, letter dated August 17, 2023 for corrigendum to the Public Announcement and letter dated August 18, 2023 for submitting Detailed Public Statement. In terms of Regulation 16(1) of the SEBI SAST Regulations, the Draft Letter of Offer is to be filed with SEBI within 5 working days from the date of publication of the Detailed Public Statement. We are submitting the said Draft Letter of Offer dated August 25, 2023. The dates for further activities related to the Offer have been proposed accordingly for the actual date of filing of the Letter of Offer.

The Acquirers, along with PACs, have given an open offer to the Eligible Shareholders of Khemani Distributors and Marketing Limited for acquisition of upto 90,51,200 equity shares of the Target Company of face value Rs. 5/- each representing 39.40% of the total Issued Capital for a consideration of Rs. 152.21 (Rupees One Hundred and Fifty Two and Twenty one paise only) (rounded off) per Equity Share.

In this regard, please find enclosed the soft copy of the Draft Letter of Offer:

Your good office may contact any of the undersigned for further information / details:

Name	Ph. No.	E-mail id
Rajiv Sharma	+91 9836347728	rajiv.sharma@sundaecapital.com
Anchal Lohia	+91 9999181829	anchal.lohia@sundaecapital.com

Thanking you,
Yours sincerely,
for Sundae Capital Advisors Private Limited

ANCHAL Digitally signed by
ANCHAL LOHIA
LOHIA Date: 2023.08.25
20:50:09 +05'30'
Anchal Lohia
Assistant Vice President

Encl.: As above

DRAFT LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

<p>This Letter of Offer is sent to you as Shareholder(s) of Khemani Distributors & Marketing Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement to the member of the Stock Exchange through whom the said sale was effected.</p>			
OPEN OFFER (“OFFER”) BY			
Name of Acquirer / PAC	Referred as	Name of Acquirer / PAC	Referred as
Vijaykumar Khemani	Acquirer	ONYX Partners	PAC 2
BSAS Infotech Limited	PAC 1	Vijaykumar Mangturam Khemani HUF	PAC 3
<p>PAC 1, PAC 2 and PAC 3 are collectively referred to as “PACs”. Acquirer is a resident of B - 1004, Surya Palace, Near Navmanglam Appt, City Light, Surat - 395 007, Gujarat, India; PAC 1 is a public limited company having its registered office at D-91-92, Laxminarayan Industrial Estate, Near BRC Compound, Udhna Bhestan Road, Surat - 394 210, Gujarat, India; PAC 2 is a partnership firm having its office at D-91-92, Laxminarayan Industrial Estate, Near BRC Compound, Udhna Bhestan Road, Surat - 394 210, Gujrat, India and PAC 3 is an HUF having its communication address at B - 1004, Surya Palace, Near Navmanglam Appt, City Light, Surat - 395 007, Gujarat, India</p> <p style="text-align: center;">Common contact details for the Acquirer and the PACs: Tel. No. +91 93 7772 0342; Email: vijay@khemanigroup.net</p> <p style="text-align: center;">TO ACQUIRE upto 90,51,200 Equity Shares of face value Rs. 5 each representing 39.40% of the total outstanding Share Capital and Voting Share Capital of Khemani Distributors & Marketing Limited (“Target Company”) Registered Office: Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat - 394 210, Gujarat, India Tel. No.: +91 97 3774 7888 E-mail: investors@khemanigroup.net ; Website: https://www.khemanigroup.net/ from the Eligible Shareholders of the Target Company at a price of Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One only) per fully paid up Equity Share, including interest for the period of delay (“Offer Price”) payable in cash</p> <ul style="list-style-type: none"> • This Offer is being made by the Acquirer and the PACs pursuant to Regulation 3(2), 3(3) and Regulation 4 and other applicable regulations of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time (“SEBI SAST Regulations”). • This Offer is not conditional offer upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI SAST Regulations. • This Offer is NOT a competing offer in terms of Regulation 20 of the SEBI SAST Regulations. • Since the Equity Shares of the Target Company are listed on SME platform of BSE, the same will be accepted under the Offer in the minimum lot of 1,200 Equity Shares. • To the best of the knowledge of the Acquirer and the PACs, there are no statutory approval(s) required by the Acquirer and the PACs to complete this Offer. However, in case of any statutory approval(s) being required by the Acquirer and the PACs at a later date, this Offer shall be subject to such approvals. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and the PACs, the Acquirer along with the PACs may withdraw the Offer under Regulation 23 of the SEBI SAST Regulations. • Assuming full acceptance under the Offer, the Acquirer and PACs, and other members of the Promoter Group will hold 2,29,74,000 Equity Shares representing 100% of the Paid up and voting Share Capital of the Target Company. Hence the Acquirer and the PACs do not propose to increase the Offer Size by increasing the number of Equity Shares proposed to be acquired. However, if there is any upward revision in the Offer Price, including interest for the period of delay, at any time up to one (1) Working Day prior to commencement of the Tendering Period i.e., October 06, 2023 in terms of the SEBI SAST Regulations, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement was published. Any upward revision of the Offer Price would be payable to all the shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent of such Equity Shares having been verified and accepted under the Offer, by the Acquirer and the PACs. • In case the payment under this Offer is delayed beyond November 03, 2023 (i.e., last date for acceptance and payment of consideration for accepted equity shares), the total consideration of Rs. 152.21 per equity share will be increased with interest @ 10% p.a. for the period of delay beyond November 03, 2023. • A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer (including the Form of Acceptance cum Acknowledgement) would also be available on the website of Securities and Exchange Board of India (“SEBI”) at www.sebi.gov.in. The Letter of Offer will also be available on the website of the Registrar to the Offer (www.bigshareonline.com), the Manager to the Offer (www.sundaecapital.com) and BSE (www.bseindia.com). • There has been no competing offer as on the date of the Letter of Offer. • Unless otherwise stated, the information set out in the Letter of Offer reflects the position as of the date hereof. 			
All future correspondences should be addressed to the Manager to the Offer and / or Registrar to the Offer			
Manager to the Offer		Registrar to the Offer	
			
<p>Sundae Capital Advisors Private Limited 404, 04th Floor, Vaibhav Chambers, Opp. Income Tax Office, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051, Maharashtra, India Tel No.: +91 96 6785 9191 E-mail ID: kdml.openoffer@sundaecapital.com Investor Grievance e-mail id: grievances.mb@sundaecapital.com Website: www.sundaecapital.com SEBI Regn. No.: INM000012494 Validity Period: Permanent Contact Person: Anchal Lohia / Rajiv Sharma</p>		<p>Bigshare Services Private Limited Office No. S6-2, 6th Floor, Pinnacle Business Park Next to Ahura Centre, Mahakali Caves Road Andheri (East), Mumbai - 400 093, Maharashtra, India Tel. / Fax: + 91 22 6263 8200 E-mail ID: openoffer@bigshareonline.com Website: www.bigshareonline.com SEBI Regn. No.: INR000001385 Contact Person: Sagar Pathare</p>	

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES PERTAINING TO THE OFFER

Nature of Activity	Schedule	
	Date	Day
Date of the Public Announcement	August 09, 2023	Wednesday
Corrigendum to the Public Announcement	August 17, 2023	Thursday
Date of publication of the Detailed Public Statement	August 18, 2023	Friday
Date for filing of Draft Letter of Offer with SEBI	August 25, 2023	Friday
Last date of a competing offer	September 08, 2023	Friday
Latest date by which SEBI's observations will be received	September 15, 2023	Friday
Identified Date*	September 20, 2023	Wednesday
Last date by which the Letter of Offer will be dispatched to the Eligible Shareholders of the Target Company as on the identified date	September 27, 2023	Wednesday
Last Date for revising the Offer Price / Offer Size	October 04, 2023	Wednesday
Last date by which the recommendations of the Committee of Independent Directors of the Target Company will be given and published	October 04, 2023	Wednesday
Date of publication of Public Announcement for Opening the Offer	October 05, 2023	Thursday
Date of Commencement of the Tendering Period (Offer Opening Date)	October 06, 2023	Friday
Date of Closing of the Tendering Period (Offer Closing Date)	October 19, 2023	Thursday
Last date for communicating Rejection / Acceptance and Payment of consideration for accepted equity shares / credit of unaccepted shares	November 03, 2023	Friday
Last date for issue of post-offer advertisement	November 10, 2023	Friday

** Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the Eligible Shareholders of the Target Company are eligible to participate in this Offer any time during the tendering period of the Offer.*

Note:

1. Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.
2. All dates are subject to change and depend on obtaining the requisite statutory and regulatory approvals, as may be applicable. Changes to the proposed timetable, if any, will be notified to the Eligible Shareholders of the Target Company by way of corrigendum in all the newspaper in which the Detailed Public Statement has appeared.
3. The above timelines are indicative (prepared on the basis of timelines provided under the SEBI SAST Regulations) and are subject to receipt of relevant statutory / regulatory approvals and may have to be revised accordingly, throughout this document.

RISK FACTORS

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

Relating to the transaction and the proposed Offer:

- 1) To the best of the knowledge of the Acquirer and the PACs, there are no statutory or other approvals required to complete the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).

However, in case any statutory or regulatory approvals which become applicable on a later date, are not received in a timely manner or if there is any litigation to stay the Offer, or SEBI instructs the Acquirer and the PACs not to proceed with the Offer, then the Offer process (including payment consideration to the Shareholders, if any) may be delayed beyond the schedule of activities indicated in the Letter of Offer. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirer and the PACs for payment of consideration to the Eligible Shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer and the PACs agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the SEBI SAST Regulations. Where any statutory approval or exemption extends to some but not all of the Eligible Shareholders, the Acquirer and the PACs shall have the option to make payment to such Eligible Shareholders in respect of who no statutory approvals or exemptions are required in order to complete this Offer. The Acquirer and the PACs will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.

- 2) Non-resident holders and OCB holders of Equity Shares must obtain all requisite approvals, if any, to tender the Equity Shares held by them in this Offer. Further, if the Eligible Shareholders 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 Equity Shares held by them pursuant to this Offer, along with the Form of Acceptance-cum-Acknowledgment and other documents required to be tendered to accept this Offer. In the event such prior approvals are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Eligible Shareholder or OCB should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
- 3) Eligible Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of Equity Shares under the Offer and dispatch of consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Eligible Shareholders who have tendered Equity Shares under the Offer will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer and/or Clearing Corporation notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirer and the PACs, and Manager to the Offer make no assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision taken by the Eligible Shareholders on whether or not to participate in this Offer.
- 4) The Offer is subject to completion risks as would be applicable to similar transactions.
- 5) The Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. Recipients of the Letter of Offer, resident in jurisdictions outside India should inform themselves of and observe any

applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer and the PACs or the Manager to the Offer to any new or additional registration requirements.

- 6) The Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax implications pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the Letter of Offer.

Relating to the Acquirer and the PACs

- 1) The Acquirer and the PACs make no assurance with respect to the financial performance of the Target Company and their investment / divestment decisions relating to their proposed shareholding in the Target Company.
- 2) The Acquirer and the PACs cannot provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims 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 Offer.
- 3) The Acquirer and the PACs, and the Manager to the Offer accept no responsibility for statements made otherwise than in the Public Announcement, Detailed Public Statement, Draft Letter of Offer, Letter of Offer or in the Post Offer Public Announcement or any corrigendum or any materials issued by or at the instance of the Acquirer and/or PACs or the Manager to the Offer in relation to the Offer, and anyone placing reliance on any other sources of information (not released by the Acquirer and the PACs) would be doing so at his / her / its own risk.
- 4) The Acquirer and the PACs do not accept the responsibility with respect to information contained in the Public Announcement or Detailed Public Statement or Draft Letter of Offer or Letter of Offer that pertains to the Target Company and has been compiled from 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 Offer or in association with the Acquirer and the PACs but are only indicative in nature. The risk factors set forth above pertain to the transaction, the Offer and the Acquirer and PACs, and do not pertain to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by Eligible Shareholder in the Offer. Eligible Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for understanding any other risks with respect to their participation in the Offer.

GENERAL

The Draft Letter of Offer, Letter of Offer, Detailed Public Statement and Public Announcement in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of the SEBI SAST Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of the Letter of Offer, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer and the PACs, since the date hereof or that the information contained herein is correct as at any time subsequent to this date nor is it to be implied that the Acquirer and the PACs are under any obligations to update the information contained herein at any time after this date. The Letter of Offer shall be dispatched to all Eligible Shareholders whose name appears on the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Eligible Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws), shall not be treated by such Eligible Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no such Eligible Shareholder may tender his, her or its Equity Shares in this Offer. Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

CURRENCY OF PRESENTATION

- 1) In the Letter of Offer, all references to “₹” / “Rs.” / “Rupees” / “INR” are to Indian Rupee(s). Throughout the Letter of Offer, all figures have been expressed in “million”, “thousand”, “lakh” or “crore” unless otherwise specifically stated.
- 2) In the Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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1. ABBREVIATIONS / DEFINITIONS

Particulars	Details / Definition
Acquirer	Vijaykumar Khemani
Acquisition Window	The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on BSE Limited, in the form of a separate window
Acquisition Window Circulars	Stock exchange mechanism as provided under SEBI (SAST) Regulations and the SEBI circulars bearing reference number 'CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015', 'CFD/DCR2/CIR/P/2016/131 dated December 09, 2016' and 'SEBI/HO/CFD/DCR/III/CIR/P/2021/615 dated August 13, 2021' and on such terms and conditions as may be permitted by law from time to time.
BSE	BSE Limited
Buying Broker	Ajcon Global Services Limited
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
DP	Depository Participant
Detailed Public Statement	Detailed Public Statement relating to the Offer published on August 18, 2023
Draft Letter of Offer	Draft Letter of Offer dated August 25, 2023 filed with SEBI
Eligible Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the Acquirer, the PACs, existing members of the promoter and promoter group of the Target Company and the Sellers who are parties to the SPA 1, SPA 2 and SPA 3.
Equity Share Capital	Equity share capital of the Target Company is INR 11,48,70,000 (Indian Rupees Eleven Crore Forty Eight Lakhs and Seventy Thousand only) comprising of 2,29,74,000 (Two Crore Twenty Nine Lakhs Seventy Four Thousand only) fully paid up Equity Shares of Rs. 5 each
Equity Share	Equity Shares of face value Rs. 5 each of the Target Company
Escrow Account	Shall have the meaning given to it in Clause 6.2.2 of the Letter of Offer
Escrow Agreement	Escrow Agreement dated August 10, 2023 between the Acquirer, Escrow Agent and Manager to the Offer
Escrow Amount	Shall have the meaning given to it in Clause 6.2.1 of the Letter of Offer
Escrow Bank	ICICI Bank Limited
FEMA	Foreign Exchange Management Act, 1999
FII / FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined in FEMA.
Form of Acceptance-cum-Acknowledgement	Shall mean the Form of Acceptance cum Acknowledgement, being a part of the Letter of Offer
HUF	Hindu Undivided Family
Identified Date	September 20, 2023 i.e., date falling on the 10th Working Day prior to the commencement of Tendering Period, for the purposes of determining the Eligible Shareholders to whom the Letter of Offer shall be sent
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹ / INR / Rs.	Indian Rupees, the legal currency of India
Letter of Offer	Letter of offer dated [●] dispatched to the Eligible Shareholders of the Company
Manager / Manager to the Offer	Sundae Capital Advisors Private Limited
NA / N.A.	Not Applicable
Non Qualifying Inter-Se Transfer	Inter-se transfer of equity shares made on January 01, 2018 between the promoter group entities, namely (i) Vijaykumar Khemani and Amit Vijaykumar Khemani as transferors and (ii) Vijaykumar Mangtaram Khemani HUF, BSAS Infotech Limited and ONYX Partners as transferee, which does not qualify as exemption under Regulation 10 of the SEBI SAST Regulations and was for more than 5% of the then paid up and voting capital of Target Company
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited

OCBs	Overseas Corporate Bodies
Offer Period	Shall mean as defined under the SEBI SAST Regulations
Offer Closing Date	October 19, 2023, Thursday
Offer Opening Date	October 06, 2023, Friday
Offer Price	Cash consideration of Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One only), calculated in accordance with the Regulation 8(2) of the SEBI Regulations and being the highest of the price as calculated on the date of this Offer, i.e. August 09, 2023 and the previous instances of breach of open offer limit as on January 01, 2018 and June 30, 2023 including simple interest at the rate of 10.00% p.a. for the period of inadvertent delay in the Open Offer for the respective period of delay. The price of equity shares of the Target Company for January 01, 2018 has been appropriately adjusted for the bonus shares issued on October 09, 2020.
Offer Size	Upto 90,51,200 Equity Shares of face value Rs. 5 each representing 39.40% of the total outstanding share capital and voting capital of the Target Company as on August 09, 2023. No change in paid up equity capital of the Company is proposed pursuant to this Offer.
Offer / Open Offer	Offer by the Acquirer along with the PACs to the Eligible Shareholders for acquisition of upto 90,51,200 Equity Shares, representing 39.40% of the total outstanding Share Capital and Voting Capital of the Target Company.
PAC 1	BSAS Infotech Limited
PAC 2	ONYX Partners
PAC 3	Vijaykumar Mangtaram Khemani HUF
PACs	Collectively the PAC 1, PAC 2 and PAC 3
PAN	Permanent Account Number
Promoters & Promoter Group	Promoters Of the Target Company, viz. Vijaykumar Khemani and Amitkumar Vijaykumar Khemani alongwith Promoter Group individuals / entities namely, Sushila Devi Khemani, Dimple Pradeep Mansinghka, Anupa Amit Kumar Khemani, Avinash Vijaykumar Khemani, Sanju Avinash Khemani, Onyx Partners, BSAS Infotech Limited and Vijaykumar Mangtaram Khemani HUF.
Public Announcement / PA	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer and the PACs, on August 09, 2023 and includes the Corrigendum to the Public Announcement dated August 17, 2023 (the “ Corrigendum to the Public Announcement ”).
RBI	Reserve Bank of India
Registrar / Registrar to the Offer	Bigshare Services Private Limited
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, as amended from time to time
SEBI SAST Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time to time.
Selling Shareholders / Sellers	Collectively, Varada Trading Private Limited and Badnoobs Technology Private Limited as Seller under SPA 1; Azura Projects Private Limited, Carron Investments Private Limited and S&D Share & Stock Private Limited as Seller under SPA 2; and Ekansh Concepts Limited as Seller under SPA 3 and does not form part of the promoter and promoter group of the Target Company.
Share Purchase Agreements	Collectively, the Share Purchase Agreement 1, Share Purchase Agreement 2 and Share Purchase Agreement 3
Share Purchase Agreement 1 / SPA 1	Share Purchase Agreement dated August 09, 2023 entered into between the Acquirer and Varada Trading Private Limited and Badnoobs whereby 18,02,800 (Eighteen Lakhs Two Thousand and Eight Hundred) Equity Shares agreed to be acquired by the Acquirer alongwith the PACs, collectively

	at a price of Rs. 26.50 (Rupees Twenty Six and paise Fifty only) per Equity Share aggregating to Rs. 4,77,74,200 (Rupees Four Crores Seventy Seven Lakhs Seventy Four Thousand Two Hundred only) representing 7.85% of the issued and voting Share Capital
Share Purchase Agreement 2 / SPA 2	Share Purchase Agreement dated August 09, 2023 entered into between the Acquirer and Azura Projects Private Limited, Carron Investments Private Limited and S&D Share & Stock Private Limited whereby 32,26,400 (Thirty Two Lakhs Twenty Six Thousand and Four Hundred) Equity Shares agreed to be acquired by the Acquirer alongwith the PACs, collectively at a price of Rs. 26.50 (Rupees Twenty Six and paise Fifty only) per Equity Share aggregating to Rs. 8,54,99,600 (Rupees Eight Crores Fifty Four Lakhs Ninety Nine Thousand Six Hundred only) representing 14.04% of the issued and voting Share Capital
Share Purchase Agreement 3 / SPA 3	Share Purchase Agreement dated August 09, 2023 entered into between the Acquirer and Ekansh Concepts Limited whereby 9,78,400 (Nine Lakhs Seventy Eight Thousand and Four Hundred) Equity Shares agreed to be acquired by the Acquirer alongwith the PACs, collectively at a price of Rs. 26.50 (Rupees Twenty Six and paise Fifty only) per Equity Share aggregating to Rs. 2,59,27,600 (Rupees Two Crores Fifty Nine Lakhs Twenty Seven Thousand Six Hundred only) representing 4.26% of the issued and voting Share Capital
SPA Price	Rs. 26.50 (Rupees Twenty Six and paise Fifty only) per Equity Shares being the price at which Equity Shares are proposed to be acquired by the Acquirer and the PACs from the Selling Shareholders under SPA 1, SPA 2 and SPA 3.
Stock Exchange	BSE Limited
Target Company	Khemani Distributors and Marketing Limited
Tendering Period	Period within which Eligible Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e., the period between and including October 06, 2023 and October 19, 2023
TRS	Transaction Registration Slip
Working Day	A working day for SEBI in Mumbai

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE 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 AND THE PACs OR THE 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 ACQUIRER AND THE PACs ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER AND THE PACs DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OPEN OFFER, SUNDAE CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 25, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACs FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

3. DETAILS OF THIS OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1 This Open Offer is a mandatory open offer being made by the Acquirer and the PACs, to the Eligible Shareholders of the Target Company in compliance with Regulation 3(2), 3(3) and Regulation 4 of the SEBI SAST Regulations pursuant to the execution of the SPA 1, SPA 2 and SPA 3 on August 09, 2023 to acquire upto 60,07,600 Equity Shares of the Target Company aggregating to 26.15% of the paid up and voting share capital of the Target Company and also pursuant to the Non qualifying inter-se transfer among promoter and promoter group undertaken on January 01, 2018 and the breach of 25% limit by an individual shareholder on account of transaction undertaken on June 30, 2023.

3.1.2 On August 09, 2023, the Acquirer have entered into the following Share Purchase Agreements:

Name of Acquirer / PAC	No. of Shares	%age	Name of Seller	No. of Shares	%age
(A) SPA 1					
Vijaykumar Khemani	18,02,800	7.85	Varada Trading Private Limited	6,85,600	2.98
			Badnoobs Technology Private Limited	11,17,200	4.86
Sub-total (A)	18,02,800	7.85		18,02,800	7.85
(B) SPA 2					
Vijaykumar Khemani	32,26,400	14.04	Azura Projects Private Limited	19,19,200	8.35
			Carron Investments Private Limited	10,82,800	4.71
			S&D Share & Stock Private Limited	2,24,400	0.98
Sub-total (B)	32,26,400	14.04		32,26,400	14.04
(C) SPA 3					
Vijaykumar Khemani	9,78,400	4.26	Ekansh Concepts Limited	9,78,400	4.26
Sub-total (C)	9,78,400	4.26		9,78,400	4.26
Grand total (A)+(B)+(C)	60,07,600	26.15		60,07,600	26.15

3.1.2.1 Salient terms of the SPA 1, SPA 2 and SPA 3 (all three SPA have been executed with the same terms and conditions):

- Subject to and in accordance with the terms and conditions of this Agreement, from the date of execution of this Agreement till the Closing Date, the Seller(s) as the legal and beneficial owner of the Sale Shares, shall sell and the Acquirer shall purchase all of the Sale Shares, with all rights, title, interest, and benefits appertaining thereto free from Encumbrances in consideration of the Purchase Consideration to be paid to the Seller(s) by the Acquirer (“**Transaction**”).
- The Acquirer shall pay atleast 10% of the total Purchase Consideration to the Sellers within seven working days from the Execution Date.
- The Acquirer jointly and severally undertake, as on the Closing Date, hereby also represents and warrants to the Sellers, that any liability of any nature, whether statutory or contractual, due and outstanding, which has not arisen for the Target Company upto Closing Date, known or unknown, due to any act or through an agreement or arrangement done or made by the Acquirer shall be, in entirety, without any question, borne in future by the Acquirer only.
- The obligation of the Acquirer to acquire Sale Share shall be conditional upon the fulfilment (or, where permissible under Law, waiver by the Acquirer of the following conditions precedent by the Target Company ("Conditions Precedent"):
 - Completion of Acquirer Conditions Precedent and Sellers Conditions Precedent:
 - This Agreement shall be effective from the date hereof; provided however that the Acquirer’s obligations to purchase the Sale Shares shall be subject to and conditional upon the Acquirer duly complying with all the applicable provisions of the SEBI SAST Regulations, if applicable.
 - The execution of this Agreement may trigger obligations on the Acquirer to comply with the provisions of the SEBI SAST Regulations relating to making of a Public Announcement and making an open offer for purchase of shares from public shareholders in accordance and compliance with the provisions of the SEBI SAST Regulations. The Acquirer agree with and undertake to the Sellers that if required, the Acquirer shall duly observe and comply with all the applicable provisions of the SEBI SAST Regulations including but without limitation making a public announcement for purchase of shares from public shareholders in accordance with the SEBI SAST Regulations and a public offer for purchasing from public shareholders, a minimum of twenty six (26) percent of the voting share capital of the Target Company in compliance with Regulations 3 and 4 and other applicable provisions of the SEBI SAST Regulations. The Sellers agree to comply with the provisions of the SEBI SAST Regulations as may be applicable to them. The Sellers shall provide to the Acquirer such documentation and information, as the Acquirer may reasonably require, and extend all required assistance, as the Acquirer may require, for complying with the provisions of the SEBI SAST Regulations. Further, the Sellers undertake not to participate in the open offer, if any, to be given by the Acquirer and all the Sale Shares shall be sold as part of this Agreement and the consideration mentioned herein.
 - The Parties agree that, in case of non-compliance with the provisions of the SEBI SAST Regulations, the Parties shall not act upon the transaction of sale and purchase of the Sale Shares envisaged in this Agreement. In such an event, the Party responsible for such non-compliance shall be liable for all consequences thereof.
 - Securities Escrow Account: Simultaneous to the execution of this Agreement, the Parties may also take steps for entering into a securities escrow account with a scheduled commercial bank or independent trustee wherein the Sellers shall transfer the Sale Shares and said Sale Shares shall be released to the Acquirer by the securities escrow agent proportionately upon making the payment towards his obligation to purchase the Sale Shares.
 - *Valuation Report.* Acquirer shall obtain a valuation report from a Registered Valuer (Securities or Financial Assets) registered with Insolvency and Bankruptcy Board of India, as may be required, giving a fair valuation of the Equity Shares.
 - *Compliance with SEBI Regulations.* The Acquirer shall have duly complied with the relevant provisions of the SEBI SAST Regulations, including with respect to completion of formalities with respect to the open offer, appointment of a merchant banker and opening of escrow account.
 - *Obtaining consents, approvals.* The Parties shall have obtained all authorisations, approvals, permits, consents and waivers, necessary or appropriate, for consummation of the transactions contemplated in this Agreement whether under Applicable Law, articles of association of the Company or otherwise.
 - *Remittance instructions.* The Acquirer shall have issued instructions to its bankers to transfer the Consideration to the Sellers, prior to closing.

- The Target Company, as and after receiving the directions of compliance from the Acquirer or their representatives including their respective professional advisers, appointed, if any, shall duly carry out all directions, corporate procedures that are directed to be carried out by the Acquirer or their representatives including their respective professional advisers, under Applicable Law in connection with the transactions.
- Waiver of conditions:
 - Notwithstanding anything contained elsewhere in the Agreement, the Acquirer shall have the right subject to consents obtained from Sellers (to the extent permissible under Applicable Law), by notification to the Company, to waive, amend or require any of the Conditions Precedent be treated as conditions subsequent and be performed within such period after the Closing Date as mutually agreed between the Acquirer and the Company.
- Subject to fulfilment of all Conditions Precedent in accordance with the terms of this Agreement, Closing shall take place on or before the expiry of twenty six weeks from the date of execution of this Agreement or payment to public shareholders, if required to be made in terms of SEBI SAST Regulations, whichever is later ('Closing Date').
- Closing Actions
 - Acquirer shall provide irrevocable wire transfer instructions, single or multiple, (through normal banking channels) to remit an aggregate amount equivalent to the Purchase Consideration to each of the Sellers, in their respective proportions of the Purchase Consideration to the Sellers.
 - Upon Acquirer having provided evidence of remittance instructions, the securities escrow agent shall deliver to their respective depository participant, an executed depository instructions slip with the necessary details and instruct the depository participant to transfer such Sale Shares in the name of the Acquirer and the same shall be treated as transfer of Sale Shares by the Sellers.

It is hereby clarified that the first transfer of proportionate Sale Shares shall be undertaken only after completion of the Open Offer formalities, if any, required to be complied with by the Acquirer, in accordance with the SEBI SAST Regulations.

3.1.2.2 All the Share Purchase Agreements shares are held by the respective Selling Shareholders in demat form and are free from any lock-in and encumbrances.

3.1.2.3 Details of the Selling Shareholders

(A) The details of the Selling Shareholders forming part of SPA 1 are as under:

- (i) Varada Trading Private Limited (CIN: U74909MH2004PTC147770), Seller under SPA 1 ("Seller 1"), is an unlisted company, having its registered office at Times Square Building, 7th and 8th Floor Western Express Highway, Andheri East Mumbai - 400 069 and was incorporated on July 29, 2004 in the name of Fashion Trading Private Limited. The name of Seller 1 was changed to Varada Trading Private Limited w.e.f. March 23, 2023. Seller 1 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 1 holds 6,85,600 equity shares of the Target Company representing 2.98% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.
- (ii) Badnoobs Technology Private Limited (CIN: U72900MH2017PTC293687), Seller under SPA 1 ("Seller 2"), is an unlisted company, having its registered office at Shop No 19, Gaurav Woods, Beverly Park, Near Shubham Hotel, Mira Road East Thane - 401 107 and was incorporated on April 10, 2017 in the name of Badnoobs Technology (OPC) Private Limited. The name of Seller 2 was changed to Badnoobs Technology Private Limited w.e.f. March 03, 2020. Seller 2 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 2 holds 11,17,200 equity shares of the Target Company representing 4.86% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.

(B) The details of the Selling Shareholders forming part of SPA 2 are as under:

- (i) Azura Projects Private Limited (CIN: U70109MH2007PTC177079), Seller under SPA 2 ("Seller 3"), is an unlisted company, having its registered office at 5 5 The Malad Co op Hsg Soc. Poddar Rd, Malad East, Mumbai - 400 097 and was incorporated on December 26, 2007.

Seller 3 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 3 holds 19,19,200 equity shares of the Target Company representing 8.35% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.

- (ii) Carron Investments Private Limited (CIN: U67120MH1995PTC092432), Seller under SPA 2 (“Seller 4”), is an unlisted company, having its registered office at 374, Powai Plaza Building, Hiranandani Bus Park, AS Marg, Powai, Mumbai - 400 076 and was incorporated on September 06, 1995. Seller 4 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 4 holds 10,82,800 equity shares of the Target Company representing 4.71% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.
- (iii) S&D Share & Stock Private Limited (U67120MH1995PTC092432), Seller under SPA 2 (“Seller 5”), is an unlisted company, having its registered office at 374, Powai Plaza Building, Hiranandani Bus Park, AS Marg, Powai, Mumbai - 400 076 and was incorporated on September 06, 1995. Seller 5 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 5 holds 2,24,400 equity shares of the Target Company representing 0.98% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.

(C) The details of the Selling Shareholders forming part of SPA 3 are as under:

- (i) Ekansh Concepts Limited (CIN: L74110MH1992PLC070070), Seller under SPA 3 (“Seller 6”), having its registered office at 12A, Narayan Plaza, Near Boomerang Building, Chandivali Mumbai - 400 072, was incorporated on December 21, 1992 in the name of Priti Water & Minerals Private Limited. The name of Seller 6 was changed to Ekansh Concepts Limited w.e.f. June 27, 2022. The equity shares of Seller 6 are listed on BSE Limited. Seller 6 does not form part of the promoter and promoter group of the Target Company and do not belong to any specific group. Seller 6 holds 9,78,400 equity shares of the Target Company representing 4.26% of the paid up share capital and has entered into the agreement to sell its entire shareholding in the Target Company.

3.1.2.4 The Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

3.1.3 PREVIOUS INSTANCES OF BREACH OF LIMIT FOR OPEN OFFER AND DELAY IN UNDERTAKING COMPLIANCES UNDER SEBI SAST REGULATIONS

3.1.3.1 NON QUALIFYING INTER-SE TRANSFER AMONGST THE PROMOTER GROUP ON JANUARY 01, 2018

- A. On January 01, 2018, certain Non qualifying inter-se transfers were undertaken by the Promoter and Promoter Group, details of which are as under, and as such inter-se transfer among promoters was not exempted under the Regulations 10 of the SEBI SAST Regulations and was for more than 5% of the creeping acquisition limit as provided Regulation 3(2) of the SEBI SAST Regulations, the same had triggered an open offer under Regulation 3(2) read with Regulation 4 of the SEBI SAST Regulations in the past (“**Breach of SAST Limit 1**”). However, being inter-se transfer, there was no change in control or management of the Target Company.
- B. The details of the said Non qualifying inter-se transfers amongst the Promoter and Promoter Group are as under:

Name	Pre transaction		Transaction		Nature of transaction	Post transaction		Increase / Decrease in holding
	No. of shares	%age*	No. of shares	%age		No. of shares	%age*	
Vijay Kumar Khemani	49,08,600	42.73	(17,76,000)	(15.46)	Inter-se transfer, executed on stock exchange	31,32,600	27.27	Decrease

Name	Pre transaction		Transaction			Post transaction		Increase / Decrease in holding
	No. of shares	%age*	No. of shares	%age	Nature of transaction	No. of shares	%age*	
Amitkumar Vijaykumar Khemani	13,81,800	12.03	(13,68,000)	(11.91)	Inter-se transfer, executed on stock exchange	13,800	0.12	Decrease
Vijaykumar Mangturam Khemani HUF	-	-	5,82,000	5.07	Inter-se transfer, executed on stock exchange	5,82,000	5.07	Increase
BSAS Infotech Limited	-	-	9,60,000	8.36	Inter-se transfer, executed on stock exchange	9,60,000	8.36	Increase
ONYX Partners (Rep. Vijaykumar Khemani)	-	-	16,02,000	13.95	Inter-se transfer, executed on stock exchange	16,02,000	13.95	Increase
Total	62,90,400	54.76	-	-		62,90,400	54.76	

* Prior to allotment of bonus equity shares by the Target Company on October 09, 2020

3.1.3.2 ACQUISITION OF MORE THAN 25% BY AN INDIVIDUAL, BUT WITHIN THE OVERALL CREEPING ACQUISITION LIMIT OF 5%

A. On June 30, 2023, the Acquirer, Vijaykumar Khemani, has acquired certain shares from the stock market, which has resulted in increase of his individual shareholding beyond 25% as stipulated under Regulation 3(3) of the SEBI SAST Regulations and hence had triggered an open offer under Regulation 3(3) read with Regulation 4 (“**Breach of SAST Limit 2**”). Vijaykumar Khemani is the existing shareholder of the Target Company and hence has not resulted in any change in control or management of the Target Company.

B. The details of the said acquisition are as under:

Name	Pre transaction		Transaction			Post transaction		Increase / Decrease in holding
	No. of shares	%age	No. of shares	%age	Nature of transaction	No. of shares	%age	
Vijay Kumar Khemani	54,10,800	23.55	4,99,200	2.17	Acquisition	59,10,000	25.72	Increase, resulting in breach of Regulation 3(3) limit
Total	54,10,800	23.55	4,99,200	2.17		59,10,000	25.72	

3.1.4 The summary of the transactions under Para 3.1.2 and 3.1.3 are as under:

Particulars	Details as of August 09, 2023	Details as of January 01, 2018*	Details as of June 30, 2023
Regulation which was triggered	3(2)	3(2)	3(3)
No. of underlying shares which triggered the liability of open offer	60,07,600	31,44,000	4,99,200
No. of shares outstanding as on the respective date	2,29,74,000	1,14,87,000	2,29,74,000
%age of then paid up share capital	26.15	27.37	2.17
Whether open offer was given	Yes (present offer)	No (now combined with the present offer)	No (now combined with the present offer)

* Prior to allotment of bonus equity shares by the Target Company on October 09, 2020

3.1.5 Since the Acquirer along with PACs, have entered into SPA to acquire shares and voting rights in excess of 5% (Five percent) of the equity and voting share capital of the Target Company and also to make good for the previous delay in making open offer for Breach of SAST Limit 1 and Breach of SAST Limit 2, this Offer is being made under Regulation 3(2), 3(3) and Regulation 4 of the SEBI SAST Regulations. Upon consummation of the transactions contemplated under the SPA, the Acquirer and the PACs will continue to be the Promoters of the Target Company in accordance with the provisions of the SEBI LODR Regulations and other applicable regulations.

3.1.6 As per the information received from the Target Company and as available on the website of BSE Limited and the Acquirer, no directions have been subsisting or proceedings are pending against the Target Company and / or the Acquirer and PACs under the Securities and Exchange Board of India Act, 1992 and the regulations made there under and also by any other regulator. Further, no statutory approvals are pending under any other applicable law to complete the offer formalities.

Further, no directions have been subsisting or proceedings are pending against Sundae Capital Advisors Private Limited, Manager to the Open Offer under the SEBI Act and the regulations made there under and also by any other regulator.

3.1.7 Vijaykumar Khemani i.e., the Acquirer is a Director on the Board of Target Company as on the present date. For details, refer to Clause 4.1 of the Letter of Offer.

Except as mentioned above, Mr. Amitkumar Vijaykumar Khemani and Anupa Amitkumar Khemani, who are already directors on the Board of the Target Company, none of the Director on the Board of the Target Company as on the date of this Letter of Offer represents the Acquirer, PACs and the Promoter and Promoter Group of the Target Company. For details, refer to Clause 4 of the Letter of Offer.

3.1.8 The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.9 The Acquirer and the PACs have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulations made under the SEBI Act, 1992.

3.1.10 The Acquirer and PACs have not been classified as willful defaulters by RBI and hence, are in compliance of Regulation 6A of the SEBI SAST Regulations for the purpose of this Offer. Further, the Acquirer and PACs have not been categorized as a fugitive economic offender and hence, are in compliance of Regulation 6B of the SEBI SAST Regulations for the purpose of this Offer.

3.1.11 In terms of Regulation 7(6) of the SEBI SAST Regulations, all public shareholders of the Target Company, except the Acquirer, the PACs and the Sellers, can participate in the Offer.

3.1.12 In accordance with Regulation 26(7) of the SEBI SAST Regulations, the committee of independent directors of the Target Company is required to provide its written reasoned recommendations on the Offer to the Shareholders and such recommendations are required to be published in the specified form at least 2 (two) Working Days before the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 The Public Announcement announcing the Open Offer under Regulation 3(2), 3(3) and Regulation 4 read with Regulation 13 and other applicable regulations of SEBI SAST Regulations was made on August 09, 2023. In accordance with Regulations 13(4), 14(3) and 15(2) of the SEBI SAST Regulations, the Detailed Public Statement was published on August 18, 2023 in the following publications:

Publication	Language	Edition/s
Jansatta	Hindi	All Editions
Financial Express	English	All Editions
Mumbai Lakshadeep	Marathi	Mumbai edition (being the regional language of the place where the stock exchange is situated on which the Equity Shares of the Target Company are listed)
Financial Express	Gujarati	Surat edition (being the place of Registered Office of the Target Company)

The Public Announcement and Detailed Public Statement are also available on the website of SEBI i.e., www.sebi.gov.in.

Simultaneously with the publication of Detailed Public Statement in the newspapers, a copy of the Detailed Public Statement was filed through the Manager to the Offer with SEBI, Stock Exchange and the Target Company at its registered mail id.

3.2.2 This Offer is a mandatory open offer being made by the Acquirer and the PACs to the Shareholders of

Target Company in compliance with Regulation 3(2), 3(3) and Regulation 4 of the SEBI SAST Regulations read with Regulation 13 of the SEBI SAST Regulations for substantial acquisition of Shares and Voting Rights and with an intention to acquire control of the Target Company.

- 3.2.3 Acquirer and PACs have decided to increase the size of the present Open Offer by giving effect to the increase in the number of shares for which offer would have been given, i.e. (i) for acquisition which has resulted in breach of creeping acquisition limit on account of Non qualifying inter-se promoter group transfers; and (ii) for acquisition of equity shares from the stock exchange which has resulted in the breach of 25% limit for an individual shareholder. The size of the present Open Offer, combined together with the obligation arising on account of Breach of SAST Limit 1 and Breach of SAST Limit 2 is calculated as under:

Particulars	No. of shares
A. No. of equity shares for which present Open Offer is given:	
No. of equity shares outstanding as on August 09, 2023 (trigger date for Open Offer)	2,29,74,000
Obligation to give open offer for 26% of the equity shares as on August 09, 2023 (trigger date for Open Offer) (A)	59,73,240
B. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 1	
No. of equity shares outstanding as on January 01, 2018 (trigger date for Open Offer on account of Breach of SAST Limit 1)	1,14,87,000
Obligation to give open offer for 26% of the equity shares as on January 01, 2018 (trigger date for Open Offer)	29,86,620
Post Breach of SAST Limit 1, the Company had issued bonus shares on October 09, 2020 in the ratio of 1:1. Accordingly, the number of shares for which open offer would be deemed to be triggered is adjusted and increased in the ratio of bonus (B) (i.e., 29,86,620 x 2)	59,73,240
C. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 2	
No. of equity shares outstanding as on June 30, 2023 (trigger date for Open Offer on account of Breach of SAST Limit 2)	2,29,74,000
Obligation to give open offer for 26% of the equity shares as on June 30, 2023 (trigger date for Open Offer) (C)	59,73,240
D. Total number of Equity Shares for which offer is to be given, being higher of the following:	
Aggregate of (A), (B) & (C) as above	1,79,19,720
Balance equity shares held by Eligible Shareholders as on August 09, 2023, after execution of SPA 1, SPA 2 and SPA 3	90,51,200
Offer Size for which Offer is proposed to be given (not to exceed the balance equity shares held by Eligible Shareholders after signing of SPA 1, SPA 2 and SPA 3)	90,51,200
%age of Offer Size to the paid up equity and voting share capital of the Target Company as on August 09, 2023	39.40

- 3.2.4 Accordingly, this Offer is made by the Acquirer and the PACs to Eligible Shareholders, to acquire upto 90,51,200 Equity Shares of face value Rs. 5 each representing 39.40% of the total issued and voting Share Capital of the Target Company at a price of Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One only), including interest for the period of delay, per fully paid up Equity Share of Rs. 5 each ("Offer Price") payable in cash, in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations and subject to the terms and conditions set out in the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer.

Assuming full acceptance under the Offer, the Acquirer and PACs, and other members of the Promoter Group will hold 2,29,74,000 Equity Shares representing 100% of the Paid up and voting Share Capital of the Target Company. Hence the Acquirer and the PACs do not propose to increase the Offer Size by increasing the number of Equity Shares proposed to be acquired. However, the Acquirer and PACs may voluntarily propose to increase the minimum Offer Size by increasing the Offer Price, including interest for the period of delay, at any time up to one (1) Working Day prior to commencement of the Tendering Period i.e., October 06, 2023 in terms of the Regulation 18(4) and 18(5) of the SEBI SAST Regulations.

If the Acquirer and PACs propose to increase the Offer Price, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement was published.

In case the payment under this Offer is delayed beyond November 03, 2023 (i.e., last date for acceptance and payment of consideration for accepted equity shares), the total consideration of Rs. 152.21 per equity share will be increased with interest @ 10% p.a. for the period of delay beyond November 03, 2023.

- 3.2.5 There are no partly paid-up shares outstanding in the Target Company.
- 3.2.6 As on the date of this Letter of Offer, there are no outstanding convertible securities, depository receipts, warrants or instruments issued by the Target Company convertible into Equity Shares.
- 3.2.7 The Equity Shares tendered under this Offer shall be free from all liens, charges, equitable interests and 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 Eligible Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- 3.2.8 There is no differential pricing for the Offer.
- 3.2.9 This is not a competing offer in terms of Regulation 20 of the SEBI SAST Regulations.
- 3.2.10 There has been no competing offer as on the date of the Letter of Offer. The last date for making such competing offer is September 08, 2023 as prescribed under Regulation 20 of the SEBI SAST Regulations.
- 3.2.11 This is not a conditional offer and is not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the SEBI SAST Regulations, the Acquirer and the PACs will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 90,51,200 Equity Shares of face value Rs. 5 each representing 39.40% of the total paid up and voting Share Capital of the Target Company.
- 3.2.12 The Acquirer have not acquired any Equity Shares of the Target Company from the date of the Public Announcement, i.e., August 09, 2023 up to the date of the Letter of Offer.
- 3.2.13 Upon the completion of the Offer, assuming full acceptances in the Offer and Equity Shares acquired pursuant to the SPA, the Acquirer, alongwith PACs and persons / entities forming part of the Promoter and Promoter Group, will hold 2,29,74,000 (Two Crores Twenty Nine Lakhs Seventy Four Thousand Only) Equity Shares representing 100.00% of the issued and voting Equity Share Capital of the Target Company. The Promoter and Promoter Group entities are already in control of the Target Company and the Offer may result in the increase of shareholding of the Promoter and Promoter Group in the Target Company pursuant to this Open Offer. The Acquirer and PACs have no intention to delist the Target Company pursuant to this Offer.
- 3.2.14 As per Regulation 38 of the SEBI LODR Regulations read with Rule 19(2) and 19A of the Securities Contract (Regulation) Rules, 1957 as amended (“SCRR”) the Target Company is required to maintain at least 25% public shareholding (“Minimum Shareholding”), as determined in accordance with SCRR, on continuous basis for listing. Pursuant to completion of this Offer, assuming full acceptance to this Offer, the public shareholding in the Target Company will fall below the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended, the Acquirer and PACs undertakes that they will facilitate the Target Company to raise the level of public shareholding to the level as specified for continuous listing under the Securities Contracts (Regulation) Rules, 1957 and in accordance with such directions as may be issued by the Stock Exchange on which the Equity Shares of the Target Company are listed within a period of twelve (12) months from the date of completion of Open Offer. In terms of Regulation 7(5) of the SEBI SAST Regulations, the Acquirer and PACs has further undertaken that if the shareholding of the Promoter and Promoter Group (including Acquirer and PACs) is more than 75% of the Voting Rights / issued Equity Share Capital of the Target Company pursuant to the present Offer, it will not make any voluntary delisting offer under the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, unless a period of twelve months has elapsed from the date of the completion of the Offer Period.
- 3.2.15 The Manager to the Offer does not hold any Equity Shares in the Target Company as at the date of Public Announcement and / or Detailed Public Statement and / or Letter of Offer. 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.

3.3 OBJECTS OF THE OFFER

3.3.1 The Offer is being made pursuant to Regulation 3(2), 3(3) and Regulation 4 read with Regulation 13 of the SEBI SAST Regulations. The Acquirer and PACs are part of the Promoter Group of the Target Company. The main purpose of the above-mentioned acquisition and the Offer is to consolidate the shareholding of the Acquirer and PACs in the Target Company. The Acquirer plans to continue the business of the Target Company as it has done in the past and therefore will not have any adverse repercussions on the employment and / or the location of the Target's place of business.

3.3.2 In terms of Regulation 25(2) of the SEBI SAST Regulations, the Acquirer and the PACs currently do not have any intention to alienate, restructure, dispose of or otherwise encumber any assets of the Target Company in the succeeding two years from the completion of this Offer, except in the ordinary course of business. The Acquirer and the PACs undertake that they will not restructure, sell, lease, dispose of or otherwise encumber any substantial assets of the Target Company other than in the ordinary course of business, except with the prior approval of the shareholders of the Target Company through a special resolution, passed by way of postal ballot during the succeeding two years from the completion of this Offer.

4. BACKGROUND OF THE ACQUIRER AND THE PACs

4.1 Information about Vijaykumar Khemani ("Acquirer")

4.1.1 Vijaykumar Khemani, s/o Sh. Mangtaram Khemani, aged 76 years, PAN: AGFPK2444R, is a resident of India currently residing at B-1004, Surya Palace, near Navmanglam apartment, City Light, Surat - 395 007, Gujarat, India. He has completed his higher secondary qualification from Sharda Sadan College, Mukundgarh, Jhunjhunu, Rajasthan. He has an experience of over 5 decades across various Business. He has been on Board of the Target Company since incorporation. Presently he is the Chairman & Managing Director of the Target Company and is responsible for overall affairs of the Company.

4.1.2 The net worth of Acquirer is Rs. 7,798.23 lakhs (Rupees Seventy Seven Crore Ninety Eight Lakh Twenty Three Thousand only) as on August 08, 2023 as certified vide certificate dated August 11, 2023 by Mr. P K Jain, (Membership no. 112020), Partner of C. P. Jaria & Co., Chartered Accountants, (Firm Registration No. 104058W) (UDIN: 23112020BGUNCY8599).

4.1.3 DIN of the Acquirer is 02227389. He has been on Board since incorporation and has been appointed as Chairman & Managing Director of the Company w.e.f. January 02, 2016.

4.1.4 As on date, the Acquirer is already a member of the Promoter and Promoter Group of the Target Company. Acquirer holds 59,10,000 Equity Shares of the Target Company as on date of this Letter of Offer. The details of acquisition are as follows:

Date of transaction	No. of shares acquired / (disposed)	Face Value (in Rs.)	Volume Weighted Average Price per share (in Rs.)	Highest price paid (in Rs.)	Nature of transaction
On incorporation	50,000	1	1	1	Subscriber to the Memorandum of Association
28/03/2015	95,000	1	33.86	33.86	Transfer of shares
08/04/2015	1,00,000	1	33.86	33.86	Transfer of shares
10/12/2015	3,43,00,000	1	Nil	Nil	Bonus issue
04/01/2016	(3,45,45,000)	1	Nil	Nil	Consolidation of equity shares
	34,54,500	10	Nil	Nil	
02/02/2017	(34,54,500)	10	Nil	Nil	Split of face value of equity shares
	69,09,000	5	Nil	Nil	
30/06/2017	(20,00,400)	5	113.00	113.00	Sale of shares
01/01/2018	(17,76,000)	5	195.00	195.00	Inter-se transfer of shares on floor of exchange

Date of transaction	No. of shares acquired / (disposed)	Face Value (in Rs.)	Volume Weighted Average Price per share (in Rs.)	Highest price paid (in Rs.)	Nature of transaction
23/09/2020	(4,99,800)	5	160.00	160.00	Inter-se transfer of shares on floor of exchange
09/10/2020	26,32,800	5	Nil	Nil	Bonus issue
13/01/2021	(4,71,600)	5	70.00	70.00	Sale of shares
28/07/2022	20,400	5	25.00	25.00	Purchase from open market
29/07/2022	1,12,800	5	25.20	25.20	Purchase from open market
02/08/2022	1,11,600	5	25.30	25.30	Purchase from open market
04/08/2022	1,11,600	5	25.03	25.03	Purchase from open market
08/08/2022	1,11,600	5	25.03	25.03	Purchase from open market
10/08/2022	1,11,600	5	25.15	25.15	Purchase from open market
23/06/2023	12,000	5	23.75	23.75	Purchase from open market
27/06/2023	25,200	5	22.40	22.40	Purchase from open market
30/06/2023	4,99,200	5	22.75	22.75	Purchase from open market

4.1.5 Please refer to Clause 4.7 for Compliance with the applicable provisions of Chapter V of SEBI SAST Regulations in respect to acquisition / disposal of Equity Shares in the Target Company.

4.2 Information about BSAS Infotech Limited (“PAC 1”)

4.2.1 BSAS Infotech Limited (CIN: U67120GJ2008PLC053529 & PAN: AADCB4202B) was incorporated on April 08, 2008 as Blue Sky Advisory Services Private Limited under the Companies Act, 1956. The name of the PAC 1 was changed to BSAS Infotech Private Limited on February 19, 2015. The constitution of PAC 1 was further changed from private limited to public limited and the fresh Certificate consequent upon conversion of PAC 1, in the name of BSAS Infotech Limited, was issued by the Registrar of Companies Ahmedabad on July 08, 2015. The registered office of the PAC 1 is situated D-91-92, Laxminarayan Industrial Estate, Near BRC Compound, Udhna Bhestan Road, Surat, Gujarat, 394210, India. The equity shares of the PAC 1 are not listed on any stock exchange.

4.2.2 The issued and paid up share capital of PAC 1 is Rs. 5,00,000 consisting of 50,000 equity shares of Rs. 10/- each.

4.2.3 The PAC 1 is engaged in the business of advisory services and investing in securities.

4.2.4 The Shareholding Pattern of PAC 1 is as under:

Name of shareholder	No. of shares	%age of holding
Vikas Vijaykumar Khemani	36,900	73.80%
Swati Vikas Khemani	4,500	9.00%
Aahana Vikas Khemani	4,167	8.33%
Arianna Vikas Khemani	4,167	8.33%
Vijaykumar Khemani	100	0.20%
Sushila Vijaykumar Khemani	100	0.20%
Avinash Vijaykumar Khemani	33	0.07%
Amitkumar Vijaykumar Khemani	17	0.03%
Sanju Avinash Khemani	16	0.03%
Total	50,000	100.00%

4.2.5 The Board of Directors of PAC 1 comprises of:

Name of Director	DIN	Qualification & Experience	Date of appointment / re-appointment
Vikas Vijaykumar Khemani	00065941	He is a Qualified Chartered Accountant and CFA Charter holder. He is having 25 years of	September 29, 2010

Name of Director	DIN	Qualification & Experience	Date of appointment / re-appointment
		Experience in Business and Investing.	
Vijaykumar Khemani *	02227389	He has an experience of over 5 decades across various Business. He has been on Board of the Target Company since incorporation. Presently he is the Chairman & Managing Director of the Target Company and is responsible for overall affairs of the Company.	June 19, 2008
Amitkumar Vijaykumar Khemani *	02227413	He holds Bachelors' Degree of Commerce. He has more than 10 years of experience in the field of Trading in FMCG Industry, Customer & Vendor Development, Supply Chain, Warehousing & Logistics Management.	June 19, 2008

* Presently hold directorship of the Target Company.

4.2.6 Key financial information of PAC 1 as at and for the period ended March 31, 2023 based on provisional management certified financial statements and audited financial statements as at and for the period ended March 31, 2022 and March 31, 2021, as extracted from the audited financial statements, are as follows:

Particulars	Financial Year ended March 31		
	2023 *	2022	2021
(Rs. in lakhs)			
Profit & Loss account			
Income from Operations	534.51	1,386.92	554.48
Other Income	(22.59)	270.39	89.23
Total Income	511.92	1,657.31	643.71
Total Expenditure (excluding Depreciation, Interest and Tax)	325.69	1,264.55	990.81
Profit before Depreciation Interest and Tax	186.23	392.76	(347.10)
Depreciation	60.10	68.08	77.49
Interest	253.69	178.02	98.57
Profit before Prior Period items and tax	(127.57)	146.67	(523.16)
Prior Period items	0.00	0.00	0.00
Profit before tax	(127.57)	146.67	(523.16)
Provision for tax	0.00	24.48	0.00
Profit after tax	(127.57)	122.18	(523.16)
Balance Sheet			
Sources of Funds			
Paid up Share Capital	5.00	5.00	5.00
Reserves and Surplus (excluding revaluation reserve)	379.40	506.97	384.78
Networth	384.40	511.97	389.78
Non Current Liabilities	7,356.94	2,410.64	1,817.39
Current Liabilities	989.67	5,214.02	448.35
Total	8,731.01	8,136.63	2,655.52
Uses of funds			
Non Current Assets	5,577.95	5,810.41	2,305.71
Current Assets	3,153.07	2,326.22	349.81
Total	8,731.01	8,136.63	2,655.52
Other Financial data			
Dividend (%)	0.00	0.00	0.00
Earnings Per Share	(255.14)	244.37	(1,046.33)
Net Asset Value	768.80	1,023.94	779.57
Return on Net Worth (%)	(33.19)	23.87	(134.22)

Based on the audited financial statements, as disclosed above, the PAC 1 do not have any contingent liability.

- 4.2.7 As of the date of the Letter of Offer, PAC 1 holds 10,77,600 fully paid up Equity Shares in the Target Company. The details of acquisition is as follows:

Date of transaction	No. of shares acquired / (disposed)	Face Value (in Rs.)	Volume Weighted Average Price per share (in Rs.)	Highest price paid (in Rs.)	Nature of transaction
01/01/2018	9,60,000	5	195.00	195.00	Inter-se transfer of shares on floor of exchange
12/07/2018	(6,00,000)	5	195.00	195.00	Sale in open market
19/07/2018	(1,32,000)	5	195.00	195.00	Sale in open market
06/08/2018	(2,28,000)	5	195.00	195.00	Sale in open market
23/09/2020	4,99,800	5	160.00	160.00	Inter-se transfer of shares on floor of exchange
09/10/2020	4,99,800	5	Nil	Nil	Bonus issue
25/03/2022	12,000	5	32.70	32.70	Purchase from open market
29/03/2022	12,000	5	29.50	29.50	Purchase from open market
30/03/2022	24,000	5	27.00	27.00	Purchase from open market
31/03/2022	30,000	5	26.00	26.00	Purchase from open market

- 4.2.8 Please refer to Clause 4.7 for Compliance with the applicable provisions of Chapter V of SEBI SAST Regulations in respect to acquisition / disposal of Equity Shares in the Target Company.

4.3 Information about ONYX Partners (“PAC 2”)

- 4.3.1 ONYX Partners was formed as a partnership firm on December 07, 2016 and was later amended on July 13, 2020. The office of the PAC 2 is situated D-91-92, Laxminarayan Industrial Estate, Near BRC Compound, Udhna Bhestan Road, Surat, Gujarat, 394210, India. The PAN of PAC 2 is AAFFO1175R.

- 4.3.2 The details of the partners of PAC 2 are as under:

Name of Partner	Ownership interest
Vijaykumar Khemani	50%
Avinashkumar Vijaykumar Khemani	35%
Khemani Distributors and Marketing Limited	15%

- 4.3.3 The PAC 2 is carrying on business operations which primarily constitutes dealing in securities.

- 4.3.4 The net worth of PAC 2 is Rs. 688.73 lakhs (Rupees Six Crore Eighty Eight Lakhs Seventy Three Thousand only) as on March 31, 2023 as certified vide certificate dated August 15, 2023 by P. K. Jain, (Membership no. 112020), Partner of C. P. Jaria & Co., Chartered Accountants, (Firm Registration No. 104058W) (UDIN: 23112020BGUNDC7725).

- 4.3.5 The summary of financials of PAC 2, for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

Particulars	(Rs. in lakhs)		
	Financial Year ended March 31		
	2023	2022	2021
Total Income	221.59	459.81	991.00
Net Profit	101.98	247.02	(87.10)
Own Funds: Partners Capital Account	688.73	761.57	465.41

- 4.3.6 As of the date of the Letter of Offer, PAC 2 holds 4,05,600 fully paid up Equity Shares in the Target Company. The details of acquisition are as follows:

Date of transaction	No. of shares acquired / (disposed)	Face Value (in Rs.)	Volume Weighted Average Price per share (in Rs.)	Highest price paid (in Rs.)	Nature of transaction
01/01/2018	16,02,000	5	195.00	195.00	Inter-se transfer of shares on floor of exchange
20/08/2018	(5,16,000)	5	195.00	195.00	Sale of shares
27/08/2018	(1,24,800)	5	195.00	195.00	Sale of shares
28/09/2018	(54,000)	5	195.00	195.00	Sale of shares
24/12/2019	(2,00,400)	5	195.00	195.00	Sale of shares
27/12/2019	(2,05,200)	5	195.00	195.00	Sale of shares
29/01/2020	(96,000)	5	195.50	195.50	Sale of shares
09/10/2020	4,05,600	5	Nil	Nil	Bonus issue
13/01/2021	(4,05,600)	5	70.00	70.00	Sale of shares

4.3.7 Please refer to Clause 4.7 for Compliance with the applicable provisions of Chapter V of SEBI SAST Regulations in respect to acquisition / disposal of Equity Shares in the Target Company.

4.4 Information about Vijaykumar Mangtaram Khemani HUF (“PAC 3”)

4.4.1 Vijaykumar Mangtaram Khemani HUF is formed as a HUF and has its address situated at B - 1004, Surya Palace NR Navmangalm Appt, City Light, Surat City - 395 007, Gujarat, India. The PAN of PAC 3 is AABHV3111Q. The Karta of PAC 3 is Vijaykumar Khemani and its co-parceners are Sushiladevi Khemani, Avinash Khemani, Vikas Vijaykumar Khemani, Amitkumar Vijaykumar Khemani, Dimple Mansinghka and Tanay Khemani.

4.4.2 The networth of PAC 3 is Rs. 44.92 lakhs (Rupees Forty Four Lakhs Ninety Two Thousand only) as on March 31, 2023 as certified vide certificate dated August 15, 2023 by P. K. Jain, (Membership no. 112020), Partner of C. P. Jaria & Co., Chartered Accountants, (Firm Registration No. 104058W) (UDIN: 23112020BGUNDD1425).

4.4.3 As of the date of the Letter of Offer, PAC 3 do not hold any Equity Shares in the Target Company. However the details of shares previous held and disposed by PAC 3 are as under:

Date of transaction	No. of shares acquired / (disposed)	Face Value (in Rs.)	Volume Weighted Average Price per share (in Rs.)	Highest price paid (in Rs.)	Nature of transaction
01/01/2018	5,82,000	5	195.00	195.00	Inter-se transfer of shares on floor of exchange
05/09/2018	(5,82,000)	5	195.00	195.00	Sale of shares

4.4.4 Please refer to Clause 4.7 for Compliance with the applicable provisions of Chapter V of SEBI SAST Regulations in respect to acquisition / disposal of Equity Shares in the Target Company.

4.5 Except for the partnership interest of the Target Company in PAC 2, the shareholding of the Promoter and Promoter Group, as a whole, in the Target Company and transactions undertaken with the Acquirer and PACs during the financial year ended March 31, 2023 disclosed as below, the Acquirer and PACs does not have any other interest in the Target Company:

Name of Acquirer & PACs	Nature of Transaction	Amount (in ₹)
Vijaykumar Khemani	Remuneration	1,80,000
	Loan received	10,00,000
	Loan given	10,00,000
ONYX Partners	Loan given	22,20,90,000
	Loan received	25,97,00,000

- 4.6 The Acquirer and PACs form part of the Promoter and Promoter Group of the Target Company and are represented by the following Directors on the Board of Target Company as on the present date, details of whose appointment are as under:

Sr. No.	Name	Designation	Date of appointment
1	Vijaykumar Khemani	Chairman & Managing Director	January 06, 2011
2	Amitkumar Vijaykumar Khemani	Whole Time Director & CFO	January 06, 2011
3	Anupa Amit Kumar Khemani	Non-Executive Director	December 10, 2015

- 4.7 Compliance with the applicable provisions of Chapter V of SEBI SAST Regulations by the Acquirer and PACs

4.7.1 **Vijaykumar Khemani**

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
1.	29(2)	04/07/2017	<i>Not available in records</i>	<i>Not ascertainable</i>	Sale of 17.41% of the equity shares
2.	29(2)	03/01/2018	03/01/2018	Complied with	Inter-se transfer of shares on floor of exchange (15.46% of the equity shares)
3.	29(2)	25/09/2020	25/09/2020	Complied with	Inter-se transfer of shares on floor of exchange (4.35% of the equity shares)
4.	29(2)	15/01/2021	15/01/2021	Complied with	Sale of 2.05% of the equity shares
5.	29(2)	01/08/2022	03/08/2022	<i>Delay of 2 days *</i>	Purchase of 0.09% of the equity shares
6.	29(2)	02/08/2023	03/08/2022	<i>Delay of 1 day *</i>	Purchase of 0.49% of the equity shares
7.	29(2)	04/08/2023	05/08/2022	<i>Delay of 1 day *</i>	Purchase of 0.49% of the equity shares
8.	29(2)	08/08/2023	09/08/2022	<i>Delay of 1 day *</i>	Purchase of 0.49% of the equity shares
9.	29(2)	11/08/2023	12/08/2022	<i>Delay of 1 day*</i>	Purchase of 0.49% of the equity shares
10.	29(2)	12/08/2022	12/08/2022	Complied with	Purchase of 0.49% of the equity shares
11.	29(2)	27/06/2023	30/06/2023	<i>Delay of 3 days *</i>	Purchase of 0.05% of the equity shares
12.	29(2)	30/06/2023	30/06/2023	Complied with *	Purchase of 0.11% of the equity shares
13.	29(2)	04/07/2023	04/07/2023	Complied with	Purchase of 2.17% of the equity shares
14.	30(1) & 30(2)	12/04/2016	17/05/2016	<i>Delay of 35 days</i>	NA
15.	30(1) & 30(2)	12/04/2017	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
16.	30(1) & 30(2)	10/04/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
17.	30(1) & 30(2)	10/04/2019	08/04/2019	Complied with	NA
18.	30(1) & 30(2)	30/05/2020	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
19.	30(1) & 30(2)	12/04/2021	05/04/2021	Complied with	NA
20.	30(1) & 30(2)	13/04/2022	05/04/2022	Complied with	NA

* The cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure made by the Promoter Group was on voluntary basis under Regulation 29(2) of the SEBI SAST Regulations.

4.7.2 BSAS Infotech Limited

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
1.	29(2)	03/01/2018	03/01/2018	Complied with	Inter-se transfer of shares on floor of exchange (Purchase of 8.36% of the equity shares)
2.	29(2)	14/07/2018	19/07/2018	<i>Delay of 5 days</i>	Sale of 5.22% of the equity shares
3.	29(2)	Not applicable	Not applicable	Not applicable #	Sale of 1.15% of the equity shares
4.	29(2)	08/08/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	Sale of 1.98% of the equity shares
5.	29(2)	25/09/2020	25/09/2020	Complied with	Inter-se transfer of shares on floor of exchange (4.35% of the equity shares)
6.	29(2)	29/03/2022	31/03/2022	<i>Delay of 2 days</i> *	Purchase of 0.05% of the equity shares
7.	29(2)	31/03/2022	31/03/2022	Complied with	Purchase of 0.05% of the equity shares
8.	29(2)	01/04/2022	04/04/2022	<i>Delay of 3 days</i> *	Purchase of 0.10% of the equity shares
9.	29(2)	05/04/2022	05/04/2022	Complied with	Purchase of 0.13% of the equity shares
10.	30(1) & 30(2)	12/04/2016	17/05/2016	<i>Delay of 35 days</i>	NA
11.	30(1) & 30(2)	12/04/2017	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
12.	30(1) & 30(2)	10/04/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
13.	30(1) & 30(2)	10/04/2019	08/04/2019	Complied with	NA
14.	30(1) & 30(2)	30/05/2020	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
15.	30(1) & 30(2)	12/04/2021	05/04/2021	Complied with	NA
16.	30(1) & 30(2)	13/04/2022	05/04/2022	Complied with	NA

* The cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure made by the Promoter Group was on voluntary basis under Regulation 29(2) of the SEBI SAST Regulations.

Since the cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure was not applicable.

4.7.3 ONYX Partners

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
1.	29(2)	03/01/2018	03/01/2018	Complied with	Inter-se transfer of shares on floor of exchange (Purchase of 13.95% of the equity shares)
2.	29(2)	23/08/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	Sale of 4.49% of the equity shares
3.	29(2)	29/08/2018	Not applicable	Not applicable	Sale of 1.09% of the equity shares

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
4.	29(2)	03/10/2018	Not applicable	Not applicable	Sale of 0.47% of the equity shares
5.	29(2)	Not applicable	Not applicable	Not applicable #	Sale of 1.74% of the equity shares
6.	29(2)	31/12/2019	<i>Not available in records</i>	<i>Not ascertainable</i>	Sale of 1.79% of the equity shares
7.	29(2)	Not applicable	Not applicable	Not applicable #	Sale of 0.84% of the equity shares
8.	29(2)	15/01/2021	15/01/2021	Complied with	Sale of 1.77% of the equity shares
9.	30(1) & 30(2)	12/04/2016	17/05/2016	<i>Delay of 35 days</i>	NA
10.	30(1) & 30(2)	12/04/2017	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
11.	30(1) & 30(2)	10/04/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
12.	30(1) & 30(2)	10/04/2019	08/04/2019	Complied with	NA
13.	30(1) & 30(2)	30/05/2020	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
14.	30(1) & 30(2)	12/04/2021	05/04/2021	Complied with	NA
15.	30(1) & 30(2)	13/04/2022	05/04/2022	Complied with	NA

* The cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure made by the Promoter Group was on voluntary basis under Regulation 29(2) of the SEBI SAST Regulations.

Since the cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure was not applicable.

4.7.4 Vijaykumar Mangturam Khemani HUF

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
1.	29(2)	03/01/2018	03/01/2018	Complied with	Inter-se transfer of shares on floor of exchange (Purchase of 5.07% of the equity shares)
2.	29(2)	07/09/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	Sale of 5.07% of the equity shares
3.	30(1) & 30(2)	12/04/2016	17/05/2016	Delay of 35 days	NA
4.	30(1) & 30(2)	12/04/2017	<i>Not available in records</i>	<i>Not ascertainable</i>	NA
5.	30(1) & 30(2)	10/04/2018	<i>Not available in records</i>	<i>Not ascertainable</i>	NA

4.7.5 Other Promoter and Promoter Group Entities

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
1.	29(2)	02/08/2022	03/08/2022	<i>Delay of 1 day *</i>	Purchase of 0.31% of the equity shares
2.	29(2)	04/08/2023	05/08/2023	<i>Delay of 1 day *</i>	Sale of 0.49% of the equity shares
3.	29(2)	10/08/2023	12/08/2023	<i>Delay of 2 days *</i>	Sale of 0.49% of the equity shares
4.	29(2)	11/08/2023	12/08/2023	<i>Delay of 1 day *</i>	Sale of 0.44% of the equity shares

Sr. No.	Regulation	Due Date of filing	Actual Date of Filing	Status of Compliance	Remarks
5.	29(2)	12/08/2023	12/08/2023	Complied with *	Sale of 0.18% of the equity shares
6.	30(1) & 30(2)	12/04/2016	17/05/2016	Delay of 35 days	NA
7.	30(1) & 30(2)	12/04/2017	Not available in records	Not ascertainable	NA
8.	30(1) & 30(2)	10/04/2018	Not available in records	Not ascertainable	NA
9.	30(1) & 30(2)	10/04/2019	08/04/2019	Complied with	NA
10.	30(1) & 30(2)	30/05/2020	Not available in records	Not ascertainable	NA
11.	30(1) & 30(2)	12/04/2021	05/04/2021	Complied with	NA
12.	30(1) & 30(2)	13/04/2022	05/04/2022	Complied with	NA

* The cumulative %age change for the Promoter and Promoter Group for respective date(s) was less than 2% than the previous reported holding and the disclosure made by the Promoter Group was on voluntary basis under Regulation 29(2) of the SEBI SAST Regulations.

- 4.8 The Acquirer alongwith the PACs shall disclose during the Offer Period any further acquisitions made by the Acquirer of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 4.9 The Acquirer and PACs do not belong to any group.

5. DETAILS OF KHEMANI DISTRIBUTORS AND MARKETING LIMITED (THE “TARGET COMPANY”)

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

- 5.1 The Target Company was incorporated under the Companies Act, 1956 vide Registration No. 063520 on January 06, 2011 as a Private Limited Company under the name and style of “Khemani Distributors and Marketing Private Limited”. Subsequently the Target Company was converted into a Public Limited Company and the name was changed to “Khemani Distributors and Marketing Limited” vide fresh Certificate of Incorporation consequent upon conversion to public limited company dated January 01, 2016 issued by the Registrar of Companies, Ahmedabad, Gujarat. The CIN of the Target Company is L74300GJ2011PLC063520.
- 5.2 The registered office of the Target Company is situated at Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat - 394 210, Gujarat, India.
- 5.3 Target Company is engaged in the business of trading in FMCG products of Hindustan Unilever Limited as a ‘Redistribution Stockiest’ in Surat, Gujarat. The Target Company’s product portfolio includes: (a) Personal Care Products; (b) Home Care Products & (c) Food and Drinks Product. The Target Company is also involved in the business of investing activities by dealing in securities and other financial products.
- 5.4 The authorized share capital of the Target Company is Rs. 11,50,00,000 (Rupees Eleven Crore and Fifty Lakhs) comprising of 2,30,00,000 (Two Crore Thirty Lakhs only) Equity Shares of Rs. 5 each. The capital structure of the Target Company is as under:

Particulars	No. of equity shares	%age of paid up capital	No. of voting rights	%age of paid up capital
Rs. 11,48,70,000 divided into 2,29,74,000 fully paid up equity shares of Rs. 5 each	2,29,74,000	100%	2,29,74,000	100%
Total equity and voting share capital	2,29,74,000	100%	2,29,74,000	100%

- 5.5 The Equity Shares of the Target Company are listed on SME platform of BSE Limited having a scrip code as 539788 with scrip ID KDML. The ISIN of the Target Company is INE030U01025. There are no outstanding shares of the Target Company that have been issued but not listed. The trading of the Equity Shares of the Target Company is currently not suspended on BSE. The Equity Shares of the Target Company have not been delisted from any stock exchange in India. The Equity Shares of the Target Company are infrequently traded in terms of Regulation 2(1)(j) of the SEBI SAST Regulations.
- 5.6 As of the date of this Letter of Offer, no outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants) issued by the Target Company which are convertible into Equity Shares of the Target Company.
- 5.7 Details of the Board of Directors of the Target Company

Name of Director	DIN	Designation	Date of appointment
Vijaykumar Khemani	02227389	Chairman & Managing Director	January 06, 2011
Amitkumar Vijaykumar Khemani	02227413	Whole Time Director	January 06, 2011
Anupa Amit Kumar Khemani	07360209	Non-Executive Director	December 10, 2015
Amit Mahavirprasad Jain	07368746	Non-Executive Independent Director	January 02, 2016
Balkishan Ramsnehi Agarwal	07403295	Non-Executive Independent Director	November 13, 2017
Mukeshkumar Devidutt Kabra	07987025	Non-Executive Independent Director	November 13, 2017

- 5.8 As on the date of this Letter of Offer, the Target Company does not have any Subsidiary or Holding Company.
- 5.9 The Target Company has no Equity Shares that are locked-in as of the date of this Letter of Offer.
- 5.10 The Target Company including its directors has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act. The Target Company is not an Insolvent applicant under Insolvency and Bankruptcy Code, 2016.
- 5.11 The key financial information of the Target Company based on the audited financial statements for the financial years ended March 31, 2023, 2022 and 2021 are as follows:

Particulars	(Rs. in lakhs)		
	Financial year ended March 31		
	2023	2022	2021
Profit & Loss account			
Income from Operations	7,784.60	6,819.24	6,142.40
Other Income	352.80	66.31	(11.82)
Total Income	8,137.40	6,885.55	6,130.58
Total Expenditure (excluding Depreciation, Interest and Tax)	7,444.11	6,068.09	4,652.45
Profit before Depreciation, Interest and Tax	693.29	817.46	1,478.13
Depreciation	17.84	16.95	17.90
Interest	46.71	29.71	25.79
Profit before tax	628.74	770.80	1,434.44
Less: Exceptional item written off	0.00	0.00	0.00
Profit after exceptional items	628.74	770.80	1,434.44
Provision for tax	108.13	187.78	336.90
Profit after tax	520.61	583.02	1,097.54
Balance Sheet			
Sources of Funds			
Paid up Share Capital	1,148.70	1,148.70	1,148.70
Other equity (excluding revaluation reserve)	3,714.71	3,198.20	2,743.63
Networth	4,863.41	4,346.90	3,892.33
Non Current Liabilities	718.53	124.65	324.62
Current Liabilities	722.60	509.14	47.58

Particulars	Financial year ended March 31		
	2023	2022	2021
Total	6,304.54	4,980.69	4,264.52
Uses of funds			
Non Current Assets	2,551.64	1,206.05	1,356.21
Current Assets	3,752.90	3,774.64	2,908.32
Total	6,304.54	4,980.69	4,264.52
Other Financial data			
Dividend (%)	0.00	0.00	0.00
Earnings Per Share*	2.27	2.54	4.78
Net Asset Value	21.17	18.92	16.94
Return on Net Worth (%)	10.70	13.41	28.20

Notes:

1. Source: Financial summary of the Target Company for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 have been extracted from the Audit Report of the Target Company.
2. Book value per share has been calculated as Net worth / Number of shares outstanding
3. Return on Net worth has been calculated as Profit after tax / Net worth

5.12 There has been no merger, de-merger and spin off in the last three years involving the Target Company.

5.13 Pre-Offer Shareholding Pattern of the Target Company as on August 04, 2023 and the resulting post offer shareholding pattern is as under:

Shareholders' category	Shareholders and voting rights prior to agreement / acquisition and the Offer		Share / voting rights agreed to be acquired which triggered the SEBI SAST Regulations ¹		Shares / voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting Rights after the acquisition and the Open Offer (assuming full acceptances) ²	
	No.	%age	No.	%age	No.	%age	No.	%age
(1) Promoter and Promoter Group								
(a) Acquirer and PACs								
(i) Vijaykumar Khemani	59,10,000	25.72	60,07,600	26.15	90,51,200	39.40	2,09,68,800	91.27
(ii) BSAS Infotech Limited	10,77,600	4.69	-	-	-	-	10,77,600	4.69
(iii) Onyx Partners	4,05,600	1.77	-	-	-	-	4,05,600	1.77
(iv) Vijaykumar Mangturam Khemani HUF	-	-	-	-	-	-	-	-
Sub-total (a)	73,93,200	32.18	60,07,600	26.15	90,51,200	39.40	2,24,52,000	97.73
(b) Other individual / entities in the Promoter and Promoter Group other than (a) above								
(i) Amit Vijaykumar Khemani	27,600	0.12	-	-	-	-	27,600	0.12
(ii) Avinash Vijaykumar Khemani	11,280	0.05	-	-	-	-	11,280	0.05
(iii) Sanju Avinash Khemani	11,280	0.05	-	-	-	-	11,280	0.05
(iv) Anupa Amit Kumar Khemani	11,280	0.05	-	-	-	-	11,280	0.05
(v) Sushila Devi Khemani	4,49,280	1.96	-	-	-	-	4,49,280	1.96
(vi) Dimple Pradeep Mansinghka	11,280	0.05	-	-	-	-	11,280	0.05
Sub-total (b)	5,22,000	2.27	-	-	-	-	5,22,000	2.27
Total (1) (a) + (b)	79,15,200	34.45	60,07,600	26.15	90,51,200	39.40	2,29,74,000	100.00
(2) Public								
(a) Sellers (under SPA 1)								
(i) Varada Trading Private Limited	6,85,600	2.98	(6,85,600)	(2.98)	-	-	-	-
(ii) Badnoobs Technology Private Limited	11,17,200	4.86	(11,17,200)	(4.86)	-	-	-	-
Sub-total (a)	18,02,800	7.85	(18,02,800)	(7.85)	-	-	-	-
(b) Sellers (under SPA 2)								

Shareholders' category	Shareholders and voting rights prior to agreement / acquisition and the Offer		Share / voting rights agreed to be acquired which triggered the SEBI SAST Regulations ¹		Shares / voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding / voting Rights after the acquisition and the Open Offer (assuming full acceptances) ²	
	No.	%age	No.	%age	No.	%age	No.	%age
(i) Azura Projects Private Limited	19,19,200	8.35	(19,19,200)	(8.35)	-	-	-	-
(ii) Carron Investments Private Limited	10,82,800	4.71	(10,82,800)	(4.71)	-	-	-	-
(iii) S&D Share & Stock Private Limited	2,24,400	0.98	(2,24,400)	(0.98)	-	-	-	-
Sub-total (b)	32,26,400	14.04	(32,26,400)	(14.04)	-	-	-	-
(c) Sellers (under SPA 3)								
(i) Ekansh Concepts Limited	9,78,400	4.26	(9,78,400)	(4.26)	-	-	-	-
Sub-total (c)	9,78,400	4.26	(9,78,400)	(4.26)	-	-	-	-
Total (a) + (b) + (c)	60,07,600	26.15	(60,07,600)	(26.15)	-	-	-	-
(d) Other Public Shareholders / Eligible Shareholders								
(i) Institutions	90,51,200	39.40	-	-	(90,51,200)	(39.40)	-	-
(ii) Non-Institutions	-	-	-	-	-	-	-	-
Sub-total (d)	90,51,200	39.40	-	-	(90,51,200)	(39.40)	-	-
Total (2) (a) + (b) + (c) + (d)	1,50,58,800	65.55	(60,07,600)	(26.15)	(90,51,200)	(39.40)	-	-
Grand total (1+2)	2,29,74,000	100.00	-	-	-	-	2,29,74,000	100.00

¹ Represents total no. of equity shares to be acquired through SPA 1, SPA 2 and SPA 3.

² Computed assuming that the entire 39.40% of the paid up Share Capital is tendered and accepted in the Offer.

Total number of shareholders, except the Promoters, Sellers, Acquirer and PACs, as on September 20, 2023 (Identified Date) is September 20, 2023.

5.14 Details of the Compliance Officer of the Target Company:

Name : Vaishali Punjabi (Company Secretary and Compliance Officer)
Address : Plot No.-D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat - 394 210, Gujarat, India
Tel. : + 91 97 3774 7888
E-mail : investors@khemanigroup.net

5.15 The information relating to the Target Company has been taken from BSE Limited (www.bseindia.com), Ministry of Corporate Affairs (www.mca.gov.in) and Annual Report of the Target Company.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 JUSTIFICATION OF OFFER PRICE

Summary for the Offer Price

Particulars	Details as of August 09, 2023	Details as of January 01, 2018	Details as of June 30, 2023
Date on which transaction undertaken which triggered the open offer requirement	August 09, 2023	January 01, 2018	June 30, 2023
Period which would be considered to determine whether equity shares of the target Company are frequently traded or not	August 01, 2022 to July 31, 2023	January 01, 2017 to December 31, 2017	June 01, 2022 to May 31, 2023
No. of equity shares traded during the abovementioned period	15,07,200	30,51,600	11,18,400
No. of shares outstanding as on the respective date	2,29,74,000	1,14,87,000 *	2,29,74,000
%age of then paid up share capital	6.56	26.57	4.87

Particulars	Details as of August 09, 2023	Details as of January 01, 2018	Details as of June 30, 2023
Annualized trading turnover (as % of then paid up and voting share capital)	6.56	26.57	4.87
Whether Equity Shares of the Target Company are frequently traded	No	Yes	No
Offer price in terms of Regulation 8(2) of the SEBI SAST Regulations	Rs. 26.50	Rs. 97.50 #	Rs. 24.32
Offer Price calculated in terms of Regulation 8(2) of the SEBI SAST Regulations including interest for the period of delay	NA	Rs. 152.21 #	Rs. 24.62
	Refer Para 6.1.1 below	Refer Para 6.1.3 below	Refer Para 6.1.2 below

* Prior to issue of bonus equity shares by the Target Company

The above share price has been adjusted for the allotment of bonus shares in the ratio of 1:1 on October 09, 2020

Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One only), being the highest of the price determined for the three dates as mentioned above has been offered to the shareholders of the Company as "Offer Price" under the SEBI SAST Regulations, in order to meet compliance of the Breach of SAST Limit 1 and Breach of SAST Limit 2 too.

6.1.1 Details of the minimum price for Open Offer ("Minimum Offer Price 1") triggered on account of execution of SPA 1, SPA 2 and SPA 3

6.1.1.1 The Equity Shares of the Target Company are presently listed and traded on BSE having a scrip code as KDML, i.e. on the date of execution of SPA 1, SPA 2 and SPA 3. The Equity Shares of the Target Company are infrequently traded on BSE during the 12 calendar months preceding the month in which Public Announcement was made asset out under Regulation 2(1)(j) of the SEBI SAST Regulations.

6.1.1.2 The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month of Public Announcement (from August 01, 2022 to July 31, 2023) on BSE, on which the Equity Shares of the Target Company are traded as detailed below:

Name of Stock Exchange	Total Number of shares traded	Total No. of Equity Shares listed during the preceding 12 calendar months prior to the month of Public Announcement	Annualized trading turnover (as % of total number of listed shares)
BSE	15,07,200	2,29,74,000	6.56

(source: www.bseindia.com)

6.1.1.3 The Minimum Offer Price 1 of Rs. 26.50 (Rupees Twenty Six and Paise Fifty only) is justified in terms of Regulation 8(2) of the SEBI SAST Regulations on the basis of the following:

Sr. No.	Particulars	Amount (in Rs.)
(a)	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e. the price per Equity Share under the agreement	26.50
(b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert during the 52 weeks immediately preceding the date of the Public Announcement	23.29
(c)	The highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert, during the 26 weeks immediately preceding the date of the Public Announcement	23.75
(d)	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the shares are the Public Announcement as traded on BSE	NA

Sr. No.	Particulars	Amount (in Rs.)
(e)	The price determined by the Acquirer and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	20.65
Highest of the above		26.50

There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

6.1.1.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer and Manager to the Offer, the minimum price of Rs. 26.50 (Rupees Twenty Six and Paise Fifty only) per Equity Share and the same has been certified by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564) vide his certificate dated August 09, 2023. Accordingly, the Minimum Offer Price 1 is justified for the date on which SPA 1, SPA 2 and SPA 3 have been executed in terms of Regulation 8(2) of the SEBI SAST Regulations.

6.1.2 Details of the minimum price for Open Offer (“Minimum Offer Price 2”) triggered on account of Breach of SAST Limit 1

6.1.2.1 The Equity Shares of the Target Company were listed and traded on BSE having a scrip code as KDML as on the date of Breach of SAST Limit 1. The Equity Shares of the Target Company were frequently traded on BSE during the 12 calendar months preceding the month in which Public Announcement was required to be under Regulation 2(1)(j) of the SEBI SAST Regulations for Breach of SAST Limit 1.

6.1.2.2 The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month of Public Announcement (January 01, 2017 to December 31, 2017) on BSE, on which the Equity Shares of the Target Company are traded as detailed below:

Name of Stock Exchange	Total Number of shares traded	Total No. of Equity Shares listed during the preceding 12 calendar months prior to the month of Public Announcement	Annualized trading turnover (as % of total number of listed shares)
BSE	30,51,600	1,14,87,000	26.57

(Source: www.bseindia.com)

6.1.2.3 The Minimum Offer Price 2 of Rs. 152.21 (Rupees One Hundred Fifty Two and Paise Twenty One only), including interest for the period of delay, is justified in terms of Regulation 8(2) of the SEBI SAST Regulations on the basis of the following:

Sr. No.	Particulars	Amount (in Rs.)
(a)	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e. the price per Equity Share under the agreement. However, the price has been given as the transaction price which resulted in Breach of SAST Limit 1 (i.e. Acquisition price which triggered 5% limit on account of Non Qualifying Inter-se Transfer)	195.00
(b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert during the 52 weeks immediately preceding the date of the Public Announcement	NA
(c)	The highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert, during the 26 weeks immediately preceding the date of the Public Announcement	NA
(d)	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the shares are the Public Announcement as traded on BSE	176.92
(e)	The price determined by the Acquirer and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	NA

Sr. No.	Particulars	Amount (in Rs.)
	Highest of the above (A)	195.00
	Share price adjusted for the allotment of bonus shares in the ratio of 1:1 on October 09, 2020 (i.e., after the date of Breach of SAST Limit 1 which warrants adjustment to the above price calculated in accordance with Regulation 8(2) of the SEBI SAST Regulations) (B) = (A) / 2	97.50
	Add: Simple Interest @ 10% p.a. for the period from March 26, 2018 (i.e., the last date on which the payment should have been made under the trigger of open offer on January 01, 2018 in accordance with SEBI SAST Regulations) till November 03, 2023 (i.e., the last date on which the payment is being proposed to be made under the present open offer pursuant to signing of Share Purchase Agreements) (C)	54.71
	Minimum Offer Price 2 (B) + (C)	152.21

6.1.2.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer and Manager to the Offer, the Minimum Offer Price 2 of Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One only) per Equity Share, including interest for the period of delay, and the same has been certified by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564) vide his certificate dated August 09, 2023. Accordingly, the Minimum Offer Price 2 is justified for the date on which Breach of SAST Limit 1 occurred in terms of Regulation 8(2) of the SEBI SAST Regulations. (Note: The interest for the period of delay has been calculated separately and added to the Minimum Offer Price 2 certified as above)

6.1.3 Details of the minimum price for Open Offer (“Minimum Offer Price 3”) triggered on account of Breach of SAST Limit 2

6.1.3.1 The Equity Shares of the Target Company were listed and traded on BSE having a scrip code as KDML as on the date of Breach of SAST Limit 2. The Equity Shares of the Target Company were infrequently traded on BSE during the 12 calendar months preceding the month in which Public Announcement was required to be under Regulation 2(1)(j) of the SEBI SAST Regulations for Breach of SAST Limit 2.

6.1.3.2 The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month of Public Announcement (June 01, 2022 to May 31, 2023) on BSE, on which the Equity Shares of the Target Company are traded as detailed below:

Name of Stock Exchange	Total Number of shares traded	Total No. of Equity Shares listed during the preceding 12 calendar months prior to the month of Public Announcement	Annualized trading turnover (as % of total number of listed shares)
BSE	11,18,400	2,29,74,000	4.87

(Source: www.bseindia.com)

6.1.3.3 The Minimum Offer Price 3 of Rs. 24.62 (Rupees Twenty Four and paise Sixty Two only), including interest for the period of delay, is justified in terms of Regulation 8(2) of the SEBI SAST Regulations on the basis of the following:

Sr. No.	Particulars	Amount (in Rs.)
(a)	The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e., the price per Equity Share under the agreement. However, the price has been given as the transaction price which resulted in Breach of SAST Limit 2 (i.e., Acquisition price which triggered 25% limit)	22.75
(b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert during the 52 weeks immediately preceding the date of the Public Announcement	24.32
(c)	The highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert, during the 26 weeks immediately preceding the date of the Public Announcement	23.75

Sr. No.	Particulars	Amount (in Rs.)
(d)	The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the shares are the Public Announcement as traded on BSE	NA
(e)	The price determined by the Acquirer and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies	20.72
Highest of the above		24.32
Add: Simple Interest @ 10% p.a. for the period from September 21, 2023 (i.e., the last date on which the payment should have been made under the trigger of open offer on June 30, 2023 in accordance with SEBI SAST Regulations) till November 03, 2023 (i.e., the last date on which the payment is being proposed to be made under the present open offer pursuant to signing of Share Purchase Agreements)		0.30
Minimum Offer Price 3		24.62

There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

- 6.1.3.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer and Manager to the Offer, the Minimum Offer Price 3 of Rs. 24.62 (Rupees Twenty Four and paise Sixty Two only) per Equity Share, including interest for the period of delay, and the same has been certified by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564) vide his certificate dated August 09, 2023. Accordingly, the Minimum Offer Price 3 is justified for the date on which Breach of SAST Limit 2 occurred in terms of Regulation 8(2) of the SEBI SAST Regulations. *(Note: The interest for the period of delay has been calculated separately and added to the Minimum Offer Price 2 certified as above).*
- 6.1.4 The Offer Price of Rs. 152.21 (Rupees One Hundred Fifty Two and Paise Twenty One only) per Equity Share, including interest for the period of delay, proposed under this Offer is highest of the Minimum Offer Price 1, Minimum Offer Price 2 and Minimum Offer Price 3 calculated under Clause 6.1.1, 6.1.2 and 6.1.3 above. The Acquirer and PACs has offered the said higher price for the Open Offers mentioned under Clause 3.1.2 & for compliance of past obligation under Clause 3.1.3 of this Letter of Offer. **In case the payment under this Offer is delayed beyond November 03, 2023 (i.e. last date for acceptance and payment of consideration for accepted equity shares), the total consideration of Rs. 152.21 per equity share will be increased with interest @ 10% p.a. for the period of delay beyond November 03, 2023.**
- 6.1.5 In the event of further acquisition of Equity Shares of the Target Company by the Acquirer and PACs during the Offer Period, by purchase of Equity Shares of the Target Company at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI SAST Regulations. However, Acquirer shall not be acquiring any Equity Shares of the Target Company after third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.1.6 As on the date of the Letter of Offer, there is no revision in the Offer Price or the Offer Size. Assuming full acceptance under the Offer, the Acquirer and PACs, and other members of the Promoter Group will hold 2,29,74,000 Equity Shares representing 100% of the Paid up and voting Share Capital of the Target Company. Hence the Acquirer and the PACs do not propose to increase the Offer Size by increasing the number of Equity Shares proposed to be acquired. However, the Offer Price is subject to upward revision, if any, pursuant to the SEBI SAST Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last One (1) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) and 18(5) of the SEBI SAST Regulations. In the event of such revision of Offer Price, the Acquirer shall make corresponding increases to the escrow amount and shall: (i) make a public announcement in the same newspapers in which the Detailed Public Statement is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchange and the Target Company at its registered office, of such revision.
- 6.1.7 If the Acquirer and/or PACs acquire Equity Shares during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and/or PACs shall pay the

difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open 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 the SEBI (Delisting of Equity Shares) Regulations, 2021, subject to applicable laws, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.

6.2 DETAILS OF FINANCIAL ARRANGEMENT

- 6.2.1 The total funding requirement for the Offer (assuming full acceptances) i.e., for the acquisition of up to 90,51,200 Equity Shares from the Eligible Shareholders of the Target Company at an Offer Price of Rs. 152.21 (Rupees One Hundred Fifty Two and paise Twenty One Only) per Equity Share, including interest for the period of delay, is Rs. 137,76,83,152 (Rupees One Hundred Thirty Seven Crore Seventy Six Lakhs Eighty Three Thousand One Hundred Fifty Two Only), (the “**Maximum Consideration**”).
- 6.2.2 In accordance with the with Regulation 17 of the SEBI Takeover Regulations, the Company has appointed ICICI Bank Limited as the Escrow Agent for the aforementioned Open Offer, and the Acquirer, the PACs, the Manager to the Open Offer and the Escrow Agent have entered into an Escrow Agreement pursuant to which the Escrow Account in the name and style “**KDML Open Offer Escrow Account**” bearing account number 000405145828 has been opened with the Escrow Agent. In accordance with SEBI Takeover Regulations and pursuant to the Escrow Agreement, the Acquirer and PACs has deposited an aggregate of Rs. 1,39,00,000 (Rupees One Crore Thirty Nine Lakhs only) (of which Rs. 1,26,00,000 was deposited on August 11, 2023 and Rs. 13,00,000 was deposited on August 14, 2023), which is equivalent to 1.01% of the value of Maximum Consideration payable under the Offer (assuming full acceptances).
- 6.2.3 Further, the Acquirer and PACs have also provided acceptable securities (listed equity shares) with appropriate margin pledged / lien marked in favour of the Manager to the Open Offer in accordance with Regulation 17(3)(c) read with Regulation 17(7) of the SEBI Takeover Regulations. The details of the acceptable securities on which lien has been created in favour of the Manager to the Open Offer and its status of compliance of the status of abovementioned securities lien marked in favor of the Manager to the Offer in terms of Regulation 9(2) of the SEBI SAST Regulations are as under:

Regulation (9)(2)	Particulars	Name of Company and status of compliance with requirement			
		Aarti Industries Limited	Aditya Birla Capital Limited	Monte Carlo Fashions Limited	SRF Limited
(a)	such class of shares are listed on a stock exchange and frequently traded at the time of the public announcement				
	- No. of shares traded from August 01, 2022 to July 31, 2023	21,92,23,099	1,03,05,93,752	1,74,53,107	14,39,98,308
	- Outstanding number of equity shares as on July 31, 2023	36,25,04,035	2,53,99,89,517	2,07,32,064	29,64,24,825
	- %age traded	60.47%	40.57%	84.18%	48.58%
	- Whether frequently traded	Yes	Yes	Yes	Yes
(b)	such class of shares have been listed for a period of at least two years preceding the date of the public announcement				
	- Year of listing	04/06/1992 on BSE & 08/02/1995 on NSE	01/09/2017 on BSE & 01/09/2017 on NSE	19/12/2014 on BSE & 19/12/2014 on NSE	07/05/1987 on BSE & 18/08/2003 on NSE
	- Whether listed for more than 2 years	Yes	Yes	Yes	Yes
(c)	the issuer of such class of shares has redressed at least ninety five per cent. of the complaints received from investors by the end of the calendar quarter immediately preceding the calendar month in which the public announcement is made				
	- Summary of status of complaints for last quarter ended June 30, 2023 (as available on stock exchange website)				
	- Complaints at the beginning of quarter	0	1	0	0

Regulation (9)(2)	Particulars	Name of Company and status of compliance with requirement			
		Aarti Industries Limited	Aditya Birla Capital Limited	Monte Carlo Fashions Limited	SRF Limited
	- Complaints received during the quarter	6	11	0	139
	- Complaints resolved	6	10	0	139
	- Complaints pending at the end of quarter	0	2	0	0
	- %age of complaints resolved	100%	Less than 100%*	100%	100%
(d)	the issuer of such class of shares has been in material compliance with the listing regulations for a period of at least two years immediately preceding the date of the public announcement				
	- Quarterly shareholding pattern filing	July 14, 2023	July 02, 2023	July 19, 2023	July 18, 2023
	- Quarterly results	August 08, 2023	August 02, 2023	July 26, 2023	July 24, 2023
	- Intimations and outcomes for BM (as available in public domain)	Yes	Yes	Yes	Yes
	- Certificate from Practicing Company Secretary (40(9))	April 14, 2023	April 29, 2023	April 18, 2023	April 27, 2023
	- Annual Report (34(1))	July 12, 2023	July 26, 2023	August 08, 2023	June 07, 2023
	- Annual Secretarial compliance (24(A))	May 29, 2023	May 27, 2023	May 29, 2023	May 12, 2023
(e)	the impact of auditors' qualifications, if any, on the audited accounts of the issuer of such shares for three immediately preceding financial years does not exceed five per cent. of the net profit or loss after tax of such issuer for the respective years				
	- Is there an audit qualification	No	No	No	No
	- If yes, its impact on the financial statements in terms of the above clause	NA	NA	NA	NA
(f)	the Board has not issued any direction against the issuer of such shares not to access the capital market or to issue fresh shares				
	- Status on watchout investors	the Company is not debarred	the Company is not debarred	the Company is not debarred	the Company is not debarred
	Whether securities can be accepted in terms of Regulation 9(2) of the SEBI SAST Regulations	Yes	Yes *	Yes	Yes
	Details of value attributable for the purpose of Escrow Account requirement under Regulation 17 of the SEBI SAST Regulations				
	No. of shares available	2,43,992	9,97,700	2,69,717	50,000
	LTP for 11/08/2023	457.15	183.80	755.50	2,292.00
	Market Value (Rs. in crore)	11.15	18.34	20.38	11.46
	Applicable Margin rate (as available on website of NSE)	15.42%	16.87%	22.61%	14.44%
	Net value (Rs. in crore)	9.43	15.24	15.77	9.81
(g)	Date of creation of lien in favor of Manager to the Offer	August 11, 2023	August 11, 2023	August 11, 2023	August 11, 2023

* In terms of e-mail dated August 11, 2023 received from Aditya Birla Capital Limited, it has redressed all the complaints received from the investors during the quarter ended June 30, 2023 and there are no open complaint as on said date.

The aforesaid equity shares are held by the Acquirer in his demat account and have been lien marked exclusively in favour of the Manager to the Open Offer with authority to the Manager to the Open Offer to sell the Equity Shares and realize the value of units in accordance with the SEBI Takeover Regulations. Except the lien marked in favour of the Manager to the Open Offer for the purpose of this Open Offer the aforesaid securities are free from any lien or encumbrance(s).

6.2.4 The aggregate of the market value of securities as aforesaid as on August 11, 2023, after providing appropriate haircut for margin (as available on the website of the National Stock Exchange of India

Limited as on August 11, 2023), i.e., Rs. 50.25 Crores, and the deposit of Rs. 1.39 Crores made in the Escrow Account in cash is equivalent to Rs. 51.64 Crores, rounded off, representing 37.49% of the Offer Size, (assuming full acceptances) (the “**Escrow Amount**”), which is in excess of the minimum requirement in terms of Regulation 17 of the SEBI SAST Regulations. Further, in the event of any deficit on realisation of the value of the securities, the merchant banker shall be liable to make good any such deficit.

- 6.2.5 The Acquirer and PACs has adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI SAST Regulations. Mr. P K Jain, (Membership no. 112020), Partner of C. P. Jaria & Co., Chartered Accountants, (Firm Registration No. 104058W), vide certificate dated August 11, 2023 (UDIN: 23112020BGUNDE4235) has certified that the Acquirer and PACs has sufficient resources to meet the fund requirements for the acquisition of the Equity Shares of the Target Company under the Open Offer. The acquisition will be financed through their own internal accruals and family members.
- 6.2.6 Based on the above and in the light of the Escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer and the PACs to fulfill their obligations through verifiable means in relation to the Offer in accordance with the SEBI SAST Regulations.
- 6.2.7 In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirer and PACs prior to effecting such revision, in terms of Regulation 17(2) of the SEBI SAST Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 OPERATIONAL TERMS AND CONDITIONS

- 7.1.1 This Offer is being made by the Acquirer and the PACs to all Eligible Shareholders of the Company to acquire upto 90,51,200 Equity Shares of face value Rs. 5 each representing 39.40 % of the total issued and voting share capital of the Target Company.
- 7.1.2 In terms of the schedule of activities, the Tendering Period of the Offer shall commence on October 06, 2023 and close on October 19, 2023.
- 7.1.3 This Offer is not conditional upon any minimum level of acceptance by the Shareholder(s) of the Target Company.
- 7.1.4 The Equity Shares tendered under this Offer shall be free from all liens, charges, equitable interests and 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 Eligible Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.
- 7.1.5 Eligible Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Letter of Offer. Alternatively, the Letter of Offer would also be available on the website of SEBI i.e., www.sebi.gov.in.
- 7.1.6 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 shareholder may be precluded from bidding of such Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding the free transferability of such equity shares tendered under the Offer are not received prior to the date of closing of the Offer.
- 7.1.7 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. 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.
- 7.1.8 The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment Constitute an integral part of the terms and conditions of this Offer.
- 7.1.9 In terms of Regulation 18(9) of the SEBI SAST Regulations, the Eligible Shareholders who tendered their Equity Shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance.

- 7.1.10 Each shareholder to whom this Offer is being made is free to offer the Equity Shares held by him in whole or in part while accepting this Offer.

7.2 LOCKED-IN SHARES

- 7.2.1 As on the date of Letter of Offer, the Target Company does not have any Equity Shares under lock-in.

7.3 ELIGIBILITY FOR ACCEPTING THE OFFER

- 7.3.1 The Letter of Offer shall be sent to all Eligible Shareholders of the Company holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date i.e., September 20, 2023. All such Shareholders of the Company to whom offer has been sent, both who are holding shares in demat form as well as physical form, can tender shares under the Offer.
- 7.3.2 Accidental omission to dispatch the Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.
- 7.3.3 The Public Announcement, Detailed Public Statement, Draft Letter of Offer and Letter of Offer shall also be available on the website of SEBI, i.e., www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Eligible Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, may download the Letter of Offer from the website of SEBI for applying in the Offer.
- 7.3.4 By accepting this Offer, the Eligible Shareholders confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.
- 7.3.5 The acceptance of this Offer by the Eligible Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever and should be received by the Registrar to the Offer at the address mentioned under Clause 8.11.4 of the Letter of Offer on or before the closure of the Tendering Period i.e., October 19, 2023.
- 7.3.6 None of the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer accepts any responsibilities in any manner for any loss of Equity Share certificate(s), share transfer forms and any other Offer acceptance documents, etc. during transit and Eligible Shareholders are advised to adequately safeguard their interest in this regard.
- 7.3.7 The Acquirer and the PACs reserves the right to revise the Offer Price upwards at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI SAST Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding further deposits into the Escrow Account; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement is published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirer and the PACs would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.
- 7.3.8 The decision on acceptance of Equity Shares tendered in this Offer will be made by the Acquirer and the PACs in consultation with the Manager to the Offer.
- 7.3.9 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgment constitute part of the terms of the Offer.

7.4 STATUTORY AND OTHER APPROVALS

- 7.4.1 As of the date of the Letter of Offer, to the best of the knowledge of the Acquirer and PACs, there are no statutory or other approvals required to complete the Offer. If, however, any statutory or other approval becomes applicable prior to completion of the Offer, the Offer would also be subject to such other statutory or other approval(s).

- 7.4.2 In case of delay in receipt of any Statutory Approval(s), pursuant to Regulation 18(11) of the SEBI SAST Regulations, SEBI may, if satisfied, that delay in receipt of requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer and/or the PACs to diligently pursue such approvals, may grant an extension of time for the purpose of the completion of this Offer, subject to Acquirer and PACs agreeing to pay interest for the delayed period, provided where the statutory approval(s) extend to some but not all Shareholders, the Acquirer and the PACs have the option to make payment to such Shareholders in respect of whom no statutory approval(s) are required in order to complete this Open Offer. Further, in case the delay occurs on account of wilful default by the Acquirer in obtaining any statutory approval(s) in time, the amount lying in the Escrow Account will be liable to be forfeited and dealt with pursuant to Regulation 17(10)(e) of the SEBI SAST Regulations.
- 7.4.3 The acquisition of the Equity Shares tendered by NRI and OCB are subject to approval / exemption, if applicable, from RBI. NRI and OCB holders of the Equity Shares in the Target Company, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including from RBI) and submit such approvals, along with the other requisite documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, QFIs and FIIs) had required any approvals (including RBI) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for holding such Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with 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 Equity Shares tendered in this Offer.
- 7.4.4 In terms of Regulation 23(1) of the SEBI SAST Regulations, in the event that the approvals which become applicable prior to completion of the Offer are not received, the Acquirer and the PACs shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer and the PACs, through the Manager shall, within 2 Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI SAST Regulations.
- 7.4.5 Subject to the receipt of the statutory and other approvals, if any, the Acquirer and PACs shall complete all procedures relating to the Open Offer, including payment of consideration within 10 Working Days from the closure of the tendering period to those shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the Acquirer along with PACs.
- 7.4.6 By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Acquirer the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reportings, if required, including FC-TRS form, if necessary and undertake to provide assistance to the Acquirer for such regulatory filings, if required by the Acquirer.
- 7.4.7 Where any statutory or other approval extends to some but not all of the Eligible Shareholders, the Acquirer and the PACs shall have the option to make payment to such Eligible Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

- 8.1 The Offer will be implemented by the Acquirer and the PACs through the stock exchange mechanism made available by BSE in the form of a separate window (“Acquisition Window”) as provided under the SEBI SAST Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI Circular No. CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, as amended from time to time, and notices / guidelines issued by BSE and the Clearing Corporation in relation to the mechanism / process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time (“Acquisition Window Circulars”).
- 8.2 BSE shall be the stock exchange for the purpose of tendering the Equity shares in the Open Offer (“**Designated Stock Exchange**”).
- 8.3 The Letter of Offer with the Form of Acceptance cum Acknowledgement will be sent to the Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of

the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.

- 8.4 The Public Announcement, Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance cum Acknowledgement will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Eligible Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website for applying in the Offer.
- 8.5 The Acquirer and the PACs have appointed Ajcon Global Services Limited ("**Buying Broker**") for the Open Offer through whom the purchases and settlement of the Offer Shares tendered in the Open Offer shall be made.

The Contact Details of the Buying Broker are mentioned below:

Ajcon Global Services Limited
SEBI Regn. No.: INZ000173933
408, Express Zone, A Wing Cello-Sonal Realty
Near Oberoi Mall Western Express Highway
Goregaon (East), Mumbai - 400 063, Maharashtra, India
Tel: +91 22 6716 0400
E-mail: investorgrievance@ajcon.net
Website: www.ajcononline.com
Contact Person: Nilesh Parchure

- 8.6 All the Shareholders who desire to tender their Equity Shares under the Open Offer should consult with their respective depository participants and their respective stock brokers ("**Selling Broker**") well in advance to understand the process and methodology in relation to tendering of Equity Shares through BSE. The Buying Broker may also act as Selling Broker for Eligible Shareholders.
- 8.7 During the Tendering Period, the tender of the Equity Shares by the Equity Shareholders in this Offer will be placed through their respective Selling Brokers during normal trading hours of the secondary market.
- 8.8 Modification / cancellation of orders will not be allowed during the Tendering Period.
- 8.9 Eligible Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (and has complied with the relevant 'Know Your Client' procedures and guidelines). In the event Seller Broker(s) are not registered with BSE if the Shareholder does not have any stock broker then that 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 Eligible Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Eligible Shareholder may approach Buyer Broker viz. Ajcon Global Services Limited, to register himself and bid by using quick UCC facility.
- 8.10 **Procedure for tendering Equity Shares held in Dematerialised Form**
- 8.10.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Stock Broker / Selling Member indicating details of Shares they wish to tender in the Open Offer. Eligible Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.10.2 The Selling Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE.
- 8.10.3 The lien shall be marked in demat account of the Eligible Shareholders for the Equity Shares tendered in the Open Offer. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by Depositories to ICCL.
- 8.10.4 In case, the demat account of the Eligible Shareholders is held in one depository and clearing member

pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Open Offer shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“IDT”) instruction shall be initiated by shareholder at source depository to clearing member pool / clearing corporation account at target depository. Source depository shall block the shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.

- 8.10.5 For Custodian Participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Date of closing of the Offer. 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 the custodian again for confirmation.
- 8.10.6 Upon placing the order, the Selling Broker shall provide TRS generated by BSE bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.10.7 On receipt of TRS from the respective Seller Broker, the Eligible Shareholder has successfully placed the bid in the Offer.
- 8.10.8 Modification / cancellation of orders will not be allowed during the tendering period of the Offer.
- 8.10.9 The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
- 8.10.10 In case of demat Equity Shares, submission of Tender Form and TRS is not required. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted, for Eligible Shareholders holding Equity Shares in demat form.
- 8.10.11 All non-resident Shareholders (i.e., Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance cum Acknowledgement. The non-resident Eligible Shareholders holding Equity Shares in demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance cum Acknowledgement along with the required documents to the Registrar to the Offer at its address given on the cover page of the Letter of Offer. The envelope should be super scribed as “Khemani Distributors and Marketing Limited - Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance cum Acknowledgment.
- 8.10.12 Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent.
- 8.10.13 The Eligible Shareholders will have to ensure that they keep their demat account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to pro-rata acceptance in the Open Offer.
- 8.10.14 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.
- 8.10.15 The Eligible Shareholders should not send bids to the Acquirer or PACs or Manager to the Offer or Registrar to the Offer. Please note that submission of Bid Form and TRS is not mandatorily required in case of equity shares held in dematerialized form.

Amendments to procedure for tendering and settlement of shares through Stock Exchange (vide SEBI Circular SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021

(A) Changes in respect of Intra Depository - Tender Offer Instructions (within Depository):

- (i) The lien shall be marked in the depository system by the Depositories in the Beneficial Owner's Demat Account for the shares offered in tender offers.
- (ii) Details of shares marked as lien in clients' demat account shall be provided by respective Depositories to Clearing Corporations (CC)
- (iii) Details in respect of shareholder's entitlement for tender offer process shall be provided to CCs by Issuer / Registrar to an Issue and Share Transfer Agent (RTA) handling respective tender offer.
- (iv) CC will cancel excess blocked securities and securities shall become free balance in shareholder's account.
- (v) On settlement date, all blocked shares mentioned in accepted bid shall be transferred to CCs.

(B) Changes in respect of Inter Depository Tender Offer (IDT) Instructions:

- (i) In case of Client BO account is held with one Depository and CM pool and CC account are held with other Depository, shares shall be blocked in shareholder's BO account at source Depository, during the tendering period.
- (ii) IDT instruction shall be initiated by shareholder at source Depository to CM pool/ CC account at target Depository. Source Depository shall block the shareholder's securities (i.e. transfers from free balance to blocked balance) and sends IDT message to target Depository for confirming creation of lien
- (iii) Details of shares blocked in shareholder's demat account shall be provided by target Depository to CCs
- (iv) CC shall cancel excess blocked securities in target Depository. Source Depository shall not be able to release lien without a release of IDT message from target Depository. Further, release of IDT message shall be sent by target Depository either based on cancellation request received from CCs or automatically generated after matching with Bid accepted detail as received from CCs / Issuer / RTAs.
- (v) Post receiving the IDT message from target Depository, source Depository shall release excess quantity from shareholder's block balance to free balance. The CC, if any, shall be processed by source Depository and any increase in quantity or substitute ISIN shall be communicated to target depository in IDT message
- (vi) Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity in respect of receiving entitlement details of securities of tender offer from CC, source depository shall debit the securities as per the communication/message received from target Depository to the extent of accepted bid quantity from shareholder's blocked balance and credit it to CC settlement account in target Depository on settlement date.
- (vii) All extra quantity of shares which are not a part of accepted bid data provided by CCs shall be reversed by source depository based on the communication/message received from target Depository from the shareholders blocked balance and shall be credited in the free balance of respective demat accounts.
- (viii) Depositories in coordination with stock exchanges and CCs shall make necessary changes in their system and ensure timely updations of the processes, as and when required.

8.11 Procedure for tendering Equity Shares held in Physical Form

As per the proviso to Regulation 40(1) of the SEBI LODR Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with SEBI notification No. SEBI/LADNRO/GN/2018/49 dated November 30, 2018, and the press releases dated December 3, 2018 and March 27, 2019 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. However, in accordance with the Frequently Asked Questions dated February 20, 2020 issued by SEBI titled "FAQs - Tendering of physical shares in buyback offer / open offer / exit offer / delisting" and subsequent SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, Shareholders holding Equity Shares in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI SAST Regulations.

Accordingly, the procedure for tendering to be followed by the Eligible Shareholders holding Equity Shares in the physical form is as detailed below:

- 8.11.1 Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Seller Member(s) along with the complete set of documents for

verification procedures to be carried out including the (i) original Equity Share certificate(s), (ii) valid share transfer form(s) i.e. Form SH-4 duly filled and signed by the transferors (i.e. by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of any of the Acquirer, (iii) self-attested copy of the Eligible Shareholder's PAN Card, (iv) the Tender Form (duly signed by all Eligible Shareholders in case the Equity Shares are in joint names) the same order in which they hold Equity Shares, and (v) any other relevant documents such as, but not limited to, duly attested power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original Eligible Shareholder has deceased, etc., as applicable. In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, the Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.

8.11.2 Based on the documents as mentioned in Clause 8.11.1, the concerned Seller Member shall place the bid on behalf of Eligible Shareholders holding Equity Shares in physical form using the Acquisition Window of BSE. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of order submitted like folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.

8.11.3 Eligible Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- Duly attested power of attorney, if any person other than Eligible Shareholder has signed Tender Form;
- Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Eligible Shareholder has expired; and
- In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

8.11.4 The Seller Member / Eligible Shareholder is required to deliver the original Equity Share certificate(s) and documents (as mentioned above) along with TRS either by registered post / speed post or courier or hand delivery to Registrar to the Offer within 2 (two) days of bidding by Seller Member. The envelope should be super scribed as "Khemani Distributors and Marketing 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 Seller Member / Eligible Shareholder. The collection center for the purpose of sending the documents to the Registrar to the Offer is as under:

Sr. No.	City	Contact Person	Address	Telephone / fax / e-mail	Mode
1.	Mumbai	Sagar Pathare	Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400 093, Maharashtra, India	Tel. / Fax: + 91 22 6263 8200 E-mail ID: openoffer@bigshareonline.com	Hand delivery / courier / registered post

8.11.5 Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for acquisition under the Offer shall be subject to verification. The Registrar to the Offer will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar to the Offer confirms the bids it will be treated as 'Confirmed Bids'.

8.11.6 All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) there a name mismatch in the Folio of the Eligible Shareholder; or (ii) there exists any restraint order of a court / any other competent authority for transfer / disposal / sale or where loss of share certificates has been notified to the Target Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists; or (iii) The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before 2 (two) days from the closure of the Tendering Period

latest by 5:00 PM (Indian Standard Time); or (iv) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Target Company; or (v) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; or (vi) If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or (vii) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.

8.11.7 In case any Eligible Shareholder has submitted Equity Shares in physical form for dematerialization, such Equity 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 the Bid Closing Date.

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

8.12.1 Eligible Shareholder(s) have been sent the Letter of Offer and the Tender Form through Speed Post / Registered Post. Further, the Eligible Shareholders whose e-mail ids are registered with the Company have also been sent the Letter of Offer and the Tender Form through electronic means. In case of non-receipt of Letter of Offer, Eligible Shareholder(s) can access the Letter of Offer on the website of SEBI, the Registrar to the Offer, the Stock Exchange and the Manager to the Offer at www.sebi.gov.in, www.bigshareonline.com, www.bseindia.com, and www.sundaecapital.com, respectively. Further, an Eligible Shareholder who wishes obtain a copy of the Letter of Offer, they may send a request to the Registrar or Manager at their respective email id mentioned in this Public Announcement stating the name, address, number of Equity Shares, client ID number, DP name / ID, beneficiary account number, Folio No. and upon receipt of such request, a copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may also participate in the Offer by downloading the Tender Form from the website of the Registrar to the Offer. An Eligible Shareholder holding share in physical form may also participate in the Offer by providing his / her / its application in writing on a plain paper signed by all Shareholders (in case of joint holding) stating name, address, folio number, number of Equity Shares held, Equity Share certificate number, number of Equity Shares tendered in the Offer and the distinctive numbers thereof, enclosing the original Equity Share certificate(s), copy of Eligible Shareholder's PAN card(s) and executed share transfer form in favour of the Acquirer. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents, reach the Registrar to the Offer not later than 2 (two) days from the the closure of the Tendering Period latest by 5:00 PM (Indian Standard Time). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Target Company or are not in the same order (although attested), such Tender Forms are liable to be rejected under this Offer.

8.12.2 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, 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.

8.12.3 Eligible Shareholders may participate in the Offer by approaching their Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum-Acknowledgment.

8.13 Acceptance of Equity Shares

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

8.13.2 In the event that the number of Equity Shares validly tendered by the Eligible Shareholders under this Offer is more than the number of Equity Shares for which the Offer is made, the Acquirer shall accept those Equity Shares validly tendered by the Eligible Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from an Eligible Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

8.14 Settlement Process

8.14.1 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 shall be provided to BSE to facilitate settlement on the

basis of Shares transferred to the account of Clearing Corporation.

- 8.14.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.14.3 For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders bank account linked to its demat account. 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.
- 8.14.4 The Acquirer and PACs, shall pay the consideration payable towards purchase of the Offer Shares to the Buyer Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the Offer Shares acquired in dematerialized form, the Eligible Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Eligible Shareholder are not available or if the fund transfer instruction is rejected by the RBI or relevant bank, due to any reasons, then the amount payable to the relevant Eligible Shareholder will be transferred to the concerned Seller Brokers for onward transfer to such Eligible Shareholder. For the Offer Shares acquired in physical form, the funds payout would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account.
- 8.14.5 In case of certain client types viz. non-resident Indians, non-resident 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 will be given to their respective Seller Broker's settlement accounts for releasing the same to their respective Eligible Shareholder's account onward. For this purpose, the client type details will be collected from the depositories whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
- 8.14.6 The Offer Shares acquired in dematerialized form would either be transferred directly to the account of the Acquirer provided it is indicated by the Buyer Broker or it will be transferred by the Buyer Broker to the account of the Acquirer on receipt of the Offer Shares pursuant to the clearing and settlement mechanism of the Designated Stock Exchange. The shares acquired in physical form will be transferred in the name of the Acquirer.
- 8.14.7 In case of rejected dematerialised Offer Shares, if any, tendered by the Eligible Shareholders, the same would be transferred by the Clearing Corporation directly to the respective Eligible Shareholder's DP account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Broker's depository pool account for onward transfer to the Eligible Shareholder. The Seller Broker / custodian participants would return these unaccepted Offer Shares to their respective clients (i.e., the relevant Eligible Shareholder(s)) on whose behalf the Bids have been placed. In case of rejected physical Offer Shares, if any, tendered by the Eligible Shareholders, the same would be sent back at the registered address of the respective Eligible Shareholder as available in the records of the Company / Registrar to the Offer through Speed Post / Registered Post.
- 8.14.8 The Eligible Shareholders will have to ensure that they keep the demat 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.
- 8.14.9 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.
- 8.14.10 In case of non-acceptance of orders the balance demat Equity Shares shall be returned directly to the demat accounts of the Eligible Shareholders. However, in the event of any rejection of transfer to the demat account of the Eligible Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Eligible Shareholders.

- 8.14.11 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 Eligible Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 8.14.12 Eligible Shareholders who intend to participate in the 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 Offer (secondary market transaction). The Offer consideration received by the Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.
- 8.14.13 The Acquirer and the PACs intend to complete all formalities, including the payment of consideration to the Eligible Shareholders of the Target Company whose shares have been accepted in the Offer, within a period of 10 (Ten) Working Days from the closure of the Tendering Period, and for this purpose, open a special account as provided under Regulation 21(1) of the SEBI SAST Regulations. However, in case of delay in receipt of any statutory approval(s), SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure or neglect on part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI (including payment of interest in accordance with Regulation 18(11) of the SEBI SAST Regulations grant an extension of time to the Acquirer and the PACs pending receipt of such statutory approval(s) to make payment of consideration to the Eligible Shareholders of the Target Company whose shares have been accepted in the Offer.

9. NOTE ON TAXATION

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT 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 ABOVE. 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 ELIGIBLE 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, ELIGIBLE SHAREHOLDERS ARE ADVISED 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 PACS DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, ELIGIBLE SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND SUMMARY OF INCOMETAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGES IN INDIA, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

9.1 General

9.1.1 The Indian tax year runs from 1 April to 31 March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act 1961 ('Income Tax Act').

9.1.2 A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his/her Indian sourced income or income received by such person in India. In case of shares of a Company, the source of income from shares would depend on the 'situs' of the shares. As per judicial precedents, generally the "situs" of the shares is where company is "incorporated" and where its shares can be transferred. Accordingly, since Khemani Distributors and Marketing Limited is incorporated in India, the shares of Khemani Distributors and Marketing Limited would be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income Tax Act subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Tax Avoidance Agreement subject to satisfaction of the relevant conditions and documentary compliance requirements prescribed under the Income Tax Act.

9.2 Taxability of Capital Gain in the hands of the Eligible Shareholder

9.2.1 As per the provisions of the Income Tax Act, capital gains arising from the sale / transfer of equity shares in an Indian company are generally taxable in India.

9.2.2 Gain in excess of Rs. 1,00,000 realized on the sale / transfer, anytime from April 01, 2018 onwards, of listed equity shares, held for more than 12 months, on a recognized stock exchange, will be liable to Long Term Capital Gains tax in India @ 10% under Section 112A of the Income Tax Act, if Securities Transaction Tax ("STT") is paid on the sale transaction.

The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 shall be the higher of (i) actual cost; and (ii) lower of (a) fair market value as on 31 January, 2018 (highest price of such share quoted on any recognized exchange as on 31 January, 2018); (b) full value consideration received on transfer.

However, if STT is not paid at the time of acquisition of the shares being transferred, entire LTCG arising to the shareholder shall be subject to tax @ 10% under Section 112 of the Income Tax Act (or 20% after claiming indexation benefit which is relevant in case of resident shareholders).

9.2.3 Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG taxable under the newly introduced section 112A of the Income Tax Act.

9.2.4 Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less, which is sold, will be subject to Short Term Capital Gains tax @ 15% under section 111A of the Income Tax Act.

9.2.5 Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("GAAR") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act.

9.2.6 As an overall point, since the acquisition of the Equity Shares under the Offer is undertaken on the stock exchange, such transaction is chargeable to Securities Transaction Tax ("STT"). STT is a tax payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian Stock Exchange. Currently, the STT rate applicable on the purchase or sale of shares on the stock exchange is 0.1% of the value of security.

9.3 Business Income

9.3.1 Under current Indian tax laws and regulations, if the shares are held as stock-in-trade by any of the Eligible Shareholders of the Company, then the gains would be characterized as business income and

taxable under the head “Profits and Gains from Business or Profession”.

9.4 Tax Deduction at Source

- 9.4.1 In case of resident Eligible Shareholders - in absence of any specific provision under the Income-tax Act, 1961, the Acquirer and PACs shall not deduct tax on the consideration payable to resident Eligible Shareholders pursuant to the Offer. Such resident Eligible Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.
- 9.4.2 In case of non-resident Eligible Shareholders, other than Foreign Portfolio Investor, the responsibility of discharge of the tax due on the gains (if any) is on the Selling Broker / custodians / authorized dealers/ non-resident shareholder since the tendering of shares under the Offer is through the Recognised Stock Exchanges in India.
- 9.4.3 In the case of Foreign Portfolio Investor, Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of capital gains arising in hands of Foreign Portfolio Investor. Thus, no withholding of tax is required in case of consideration payable to Foreign Portfolio Investor.
- 9.4.4 In case of interest payments, if any, by the Acquirer and/or PACs for delay in payment of Offer consideration or a part thereof, the Acquirer and/or PACs, as the case may be, will deduct taxes at source at the applicable rates under the Income Tax Act.

9.5 Others

- 9.5.1 Notwithstanding the details given above, all payments will be made to the Eligible Shareholders subject to compliance with prevailing tax laws.
- 9.5.2 The tax deducted by the Acquirer and the PACs while making payment to any Eligible Shareholder may not be the final tax liability of such Eligible Shareholder and shall in no way discharge the obligation of the Eligible Shareholder to appropriately disclose the amounts received by it, pursuant to this Offer, before the income tax authorities.
- 9.5.3 The Acquirer the PACs and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

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

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the office of the Manager to the Offer between 10:00 a.m. and 3:00 p.m. on all working days (Monday to Friday) during the period from the commencement of the Tendering Period, i.e., October 06, 2023 until the date of closure of the Tendering Period, i.e., October 19, 2023:

1. Copy of certificates issued by Chartered Accountants certifying the Networth of each of the Acquirer and PACs, individually.
2. Copy of certificates issued by Chartered Accountants, as detailed in Para 6.2.4 of the Letter of Offer, certifying the adequacy of financial resources of the Acquirer along with the PACs, to fulfill the Offer obligations.
3. Copy of certificate dated August 09, 2023 issued by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564), certifying the computation of the Minimum Offer Price 1.

4. Copy of certificate dated August 09, 2023 issued by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564), certifying the computation of the Minimum Offer Price 2 & Minimum Offer Price 3.
5. Copies of the Annual Report of the Target Company for the financial years ended March 31, 2023, 2022 and 2021.
6. Copy of the Escrow Agreement dated August 10, 2023 executed between the Acquirer, Escrow Agent and Manager to the Offer.
7. Copy of the Share Purchase Agreement 1 / SPA 1 dated August 09, 2023 amongst the Acquirer and Varada Trading Private Limited and Badnoobs Technology Private Limited.
8. Copy of the Share Purchase Agreement 2 / SPA 2 dated August 09, 2023 amongst the Acquirer and Azura Projects Private Limited, Carron Investments Private Limited and S&D Share & Stock Private Limited.
9. Copy of the Share Purchase Agreement 3 / SPA 3 dated August 09, 2023 amongst the Acquirer and Ekansh Concepts Limited
10. Letter / Bank Statement from ICICI Bank Limited confirming the receipt of money in the Escrow Account and creation of lien on fixed deposits in favor of the Manager to the Offer.
11. Copy of Demat Statement of Sundae Capita Advisors Private Limited reflecting creation of pledge in favor of Manager to the Offer.
12. Due Diligence Certificate dated August 25, 2023 submitted to SEBI by the Manager to the Offer.
13. Copy of the Public Announcement dated August 09, 2023.
14. Copy of the Detailed Public Statement published in newspapers on August 18, 2023.
15. Copy of the Offer Opening Public Announcement (including any corrigendum to it) to be published by the Manager on behalf of the Acquirer and the PACs.
16. Published copy of the recommendation to be made by the committee of the independent directors of Target Company in relation to the Offer.
17. A copy of the observation letter no. [●] from SEBI dated [●].

The material documents will also be made available electronically for inspection during the Tendering Period. Eligible Shareholders interested in electronically inspecting the material documents can send an email from their registered email ids and Folio No. / DP ID & Client ID, with the subject line “Documents for Inspection - Khemani Distributors and Marketing Limited Open Offer”, to the Manager to the Open Offer on kdml.openoffer@sundaecapital.com, and upon receipt and processing of the request, access shall be provided to the respective Eligible Shareholder, for electronic inspection.

11. DECLARATION BY THE ACQUIRER AND THE PACs

- 11.1 The Acquirer and the PACs accept full responsibility for the information contained in the Letter of Offer 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 publicly available sources and which information has not been independently verified by the Acquirer or the Manager).
- 11.2 The Acquirer and the PACs shall be jointly and severally be responsible for the fulfillment of obligations under the SEBI (SAST) Regulations in respect of this Offer.
- 11.3 The information pertaining to the Target Company contained in the Public Announcement or the Detailed Public Statement or the Draft Letter of Offer or the Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company, as the case may be, or publicly available sources which has not been

independently verified by the Acquirer and/or PACs or the Manager. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company in relation to such information.

- 11.4 The information contained in this Letter of Offer is as of the date of this Letter of Offer, unless expressly stated otherwise.
- 11.5 The person(s) signing this Letter of Offer are duly and legally authorized by the Acquirer and PACs, as applicable, to sign this Letter of Offer.

EXECUTED by the Acquirer acting through their duly authorized representatives.

On behalf of the Acquirer and the PACs

**Sd/-
Vijaykumar Khemani**

**Sd/-
BSAS Infotech Limited
Represented by Vijaykumar Khemani, Director**

**Sd/-
ONYX Partners
Represented by Vijaykumar Khemani, Partner**

**Sd/-
Vijaykumar Mangturam Khemani HUF
Represented by Vijaykumar Khemani, Karta**

Place: Surat
Date: August 25, 2023