

DRAFT LETTER OF OFFER (“DLOF”)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is being sent to you as a Public Shareholder(s) (*defined below*) of Flora Textiles Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or an investment consultant or the Manager to the Offer (*defined below*) or the Registrar to the Offer (*defined below*). In the event you have recently sold your Equity Shares (*defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement to the purchaser of the Equity Shares or the Member of the Stock Exchange through whom the said sale was effected.

OPEN OFFER (“OFFER”) BY

Oilmax Energy Private Limited (“Acquirer”)

A private limited company incorporated under the Companies Act, 1956

Registered Office: 3A, 3rd Floor, Omkar Esquare, Chunnabhatti Signal, Eastern Express highway, Sion (East), Mumbai - 400022, Maharashtra, India;

Corporate Identification Number: U40101MH2008PTC185357

Tel. No.: +91 22 42441100; **Email id:** secretarial@oilmax.in;

to the Eligible Shareholder(s) of

FLORA TEXTILES LIMITED (“Target Company”)

A public limited company incorporated under the Companies Act, 1956

Registered Office: No. 23, Bharathi Park Road, Coimbatore -641 043, Tamil Nadu, India.

Corporate Identification Number: L17111TZ1993PLC004290

Tel. No.: +91 22 2447395; **Email id:** floratex1@gmail.com; **Website:** www.floratextiles.in

to acquire up to 15,60,000 (Fifteen Lakh Sixty Thousand) fully paid up Equity Shares of face value of ₹10/- each (“**Offer Shares**”) representing 26% (Twenty Six per cent) of the Total Voting Share Capital (*defined below*) of the Target Company, for cash at a price of ₹ 10/- (Rupees Ten only) per Equity Share (“**Offer Price**”).

Please Note:

1. This Offer is being made by the Acquirer pursuant to and in compliance with Regulations 3(1) and 4, and other applicable Regulations of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (“**SEBI (SAST) Regulations**”).
2. This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. **As per the information available with the Acquirer and the Target Company, there has been no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer, the public offers under all subsisting bids shall open and close on the same date.**
5. To the best of the knowledge of the Acquirer, as on the date of this Draft Letter of Offer, there are no statutory approvals required by the Acquirer to complete the underlying transaction and this Open Offer. In case any statutory approvals are required or become applicable at a later date before the closure of the Tendering Period, this Open Offer shall be subject to the receipt of such statutory approvals. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, any statutory approvals required are not received or refused, then the Acquirer shall have the right to withdraw the Open Offer. In the event of such withdrawal of the Open Offer, the Acquirer, through the Manager to the Offer, shall, within 2 (two) working days of such withdrawal, make an announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for the withdrawal in accordance with Regulation 23 of the SEBI (SAST) Regulations.
6. If there is any upward revision in the Offer Price and by the Acquirer, at any time prior to the commencement of the last 1 (one) working day before the commencement of the Tendering Period, the same would be informed by way of a public announcement in the same newspapers where the Detailed Public Statement was published. Any such revision in the Offer Price would be payable by the Acquirer for all the Offer Shares validly tendered anytime during the Tendering Period of the Offer.
7. Copies of the Public Announcement (“**PA**”) and the Detailed Public Statement (“**DPS**”) are available on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in, and copy of this Draft Letter of Offer (“**DLOF**”) and Letter of Offer (“**LOF**”) (including the Form of Acceptance cum acknowledgement) will also be available on the website of SEBI at www.sebi.gov.in.

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

MANAGER TO THE OFFER

REGISTRAR TO THE OFFER



Saffron Capital Advisors Private Limited

605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059, Maharashtra, India;

Tel. No.: +91 22 49730394;

Email id: openoffers@saffronadvisor.com;

Website: www.saffronadvisor.com;

Investor grievance id: investorgrievance@saffronadvisor.com;

SEBI Registration No.: INM 000011211;

Validity: Permanent

Contact Person: Ms. Pooja Jain/Mr. Saurabh Gaikwad

Cameo Corporate Services Limited

Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India

Tel. No.: +91 44 4002 0700;

Email id: priya@cameoindia.com

Website: www.cameoindia.com

Investor Grievance: investor@cameoindia.com

SEBI Registration: INR000003753

Validity: Permanent

Contact Person: Ms. Sreepriya K

OFFER OPENS ON: Wednesday, July 10, 2024

OFFER CLOSES ON: Wednesday, July 24, 2024

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES OF THE OPEN OFFER

Sr. No	Activity	Schedule (Day and Date)⁽¹⁾
1	Public Announcement (PA)	Wednesday, May 15, 2024
2	Publication of DPS in the newspapers	Friday, May 24, 2024
3	Last date for filing of draft letter of offer with SEBI	Friday, May 31, 2024
4	Last date for public announcement of competing offer(s)	Friday, June 14, 2024
5	Last date for receipt of comments from SEBI on Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer)	Monday, June 24, 2024
6	Identified Date ⁽²⁾	Wednesday, June 26, 2024
7	Last date by which the Letter of Offer to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Wednesday, July 03, 2024
8	Last date for upward revision of the Offer Price and/or Offer Size	Monday, July 08, 2024
9	Last Date by which the committee of the independent directors of the Target Company is required to publish its recommendation to the Public Shareholders for this Open Offer	Monday, July 08, 2024
10	Date of publication of Open Offer opening Public Announcement in the newspapers in which the DPS has been published	Tuesday, July 09, 2024
11	Date of commencement of the Tendering Period (“ Offer Opening Date ”)	Wednesday, July 10, 2024
12	Date of closure of the Tendering Period (“ Offer Closing Date ”)	Wednesday, July 24, 2024
13	Last date of communicating the rejection/acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders of the Target Company	Wednesday, August 07, 2024
14	Last date for publication of post Open Offer public announcement in the newspapers in which the DPS has been published	Wednesday, August 14, 2024

Notes:

⁽¹⁾The above timelines are indicative (prepared based on timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of statutory/regulatory approvals and may have to be revised accordingly. To clarify, the actions set out above may be completed prior to their corresponding dates subject to compliance with the SEBI (SAST) Regulations.

⁽²⁾The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be mailed. It is clarified that all the Public Shareholders of the Target Company (registered or unregistered) of the equity shares of the Target Company (except the Acquirer and Promoters of the Target Company) are eligible to participate in this Offer at any time prior to the closure of this Offer.

RISK FACTORS

I. RISK FACTORS RELATING TO THE TRANSACTION

- In accordance with the Share Purchase Agreement, the acquisition of the Sale Shares shall be completed upon the fulfillment of conditions agreed between the Acquirer and the Sellers. In terms of and in accordance with Regulation 23 of the SEBI (SAST) Regulations, if the conditions as stated in this Draft Letter of Offer are not complied with, for the reasons beyond the reasonable control of the Acquirer, the Open Offer would stand withdrawn.
- This Offer is a mandatory offer in terms of Regulations 3(1) and 4 of SEBI (SAST) Regulations. The consummation of the underlying transaction is subject to various conditions as specified under the Share Purchase Agreement.
- In terms of and in accordance with Regulation 23 of the SEBI (SAST) Regulations, if the conditions precedent and other conditions as stated in this Draft Letter of Offer are not satisfactorily complied with for reasons beyond the control of the Acquirer, this Offer would stand withdrawn. The Acquirer reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations in the event the requisite statutory approvals that may be necessary at a later date are refused.

II. RISKS RELATING TO THE OPEN OFFER

- This Offer is subject to the provisions of SEBI (SAST) Regulations, and in case of non-compliance by the Acquirer with any of the provisions of the SEBI (SAST) Regulations, the Acquirer shall not act upon the acquisition of equity shares under the Offer.
- The Offer is made under the SEBI (SAST) Regulations to acquire up to 15,60,000 (Fifteen Lakh Sixty Thousand) Equity Shares representing 26% of the Total Voting Share Capital of the Target Company, from the Public Shareholders.
- As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any other statutory approval/s becomes applicable to the Acquirer at a later date prior to completion of this Open Offer, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals. As per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the public shareholders for delay beyond 10th working day from the date of closure of tendering period, at such rate as may be specified by SEBI. Where the statutory or regulatory approvals extend to some but not all the public shareholders, the Acquirer shall have the option to make payment of the consideration to such public shareholders in respect of whom no statutory or regulatory approvals are required in order to complete this Offer in respect of such public shareholders. Further, if any delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- In the event that either: (a) regulatory or statutory approvals are not received in time, (b) there is any litigation leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer from performing their obligations hereunder, or (c) SEBI instructing the Acquirer not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the eligible shareholders whose equity shares are accepted under the Offer as well as the return of equity shares not accepted under the Offer by the Acquirer may get delayed. In case the delay is due to non-receipt of statutory approval(s), then in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of approvals was not due to any wilful default or negligence on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer agreeing to pay interest to the validly tendering shareholders.
- Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. A lien shall be marked against the Equity Shares tendered in the Offer by the Public Shareholders until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of the Equity Shares in this Offer and/ or payment of consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public

Shareholders who have tendered their Equity Shares in this Open Offer. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.

- The Acquirer and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement, Draft Letter of Offer, Letter of Offer or in the pre and post offer advertisements or any material issued by or at the instance of the Acquirer or the Manager to the Offer in relation to the Offer and anyone placing reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) would be doing so at his/her/their own risk.
- This Draft Letter of Offer has not been filed, registered, or approved in any jurisdiction outside India. Recipients of this Draft 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 or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
- The Public Shareholders are advised to consult the stockbroker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer, and all shareholders should independently consult their respective tax advisors.
- This Offer is subject to completion risks as would be applicable to similar transactions.

III. RISKS RELATING TO ACQUIRER

- The Acquirer makes no assurance with respect to the continuation of the past trend in the financial performance of the Target Company and makes no assurance with respect to the future performance of the Target Company.
- The Acquirer 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 the Acquirer expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any eligible shareholder on whether to participate or not to participate in the Offer.
- Pursuant to completion of this Open Offer and the underlying transaction contemplated under the Share Purchase Agreement, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (“SCRR”) read with the SEBI (LODR) Regulations. In such an event, the Acquirer shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirer, to meet the minimum public shareholding requirements specified under SCRR.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks perceived in relation to the Offer or in association with the Acquirer but are only indicative and are not exhaustive. The risk factors do not relate 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 the participation in the Offer by an eligible shareholder. The Public Shareholders are advised to consult their stockbroker, or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

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I. KEY DEFINITIONS

Particulars	Details/Definition
Acquirer	Oilmax Energy Private Limited
Board of Directors	Board of Directors of the Target Company
BSE	BSE Limited
Buying Broker	Stock-broker appointed by Acquirer for the purpose of this Open Offer i.e., Choice Equity Broking Private Limited
CDSL	Central Depository Services Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act	The Companies Act, 1956 and the Companies Act, 2013 (to the extent applicable) as amended, substituted, or replaced from time to time
CSE	Calcutta Stock Exchange Limited
Depositories	NSDL and CDSL
Designated Stock Exchange	BSE Limited
Detailed Public Statement/ DPS	Detailed Public Statement dated May 23, 2024, issued by the Manager to the Offer, on behalf of the Acquirer, in relation to the Offer and published in all the editions of Financial Express (English), Jansatta (Hindi), Dinakural (Tamil) (Coimbatore edition where registered office of the Target Company is situated) and Navshakti (Marathi) (Mumbai Edition place where the Stock Exchange at which the Equity Shares of the Target Company are listed) on May 24, 2024, in accordance with the Regulations 3(1) and 4 read with Regulations 13(4), 14 and 15(2) and other applicable regulations of the SEBI (SAST) Regulations.
DIN	Director Identification Number
DP	Depository Participant
DLOF/ Draft Letter of Offer	This Draft Letter of Offer dated May 30, 2024
Eligible Shareholders / Public Shareholders	shall mean all the equity shareholders of the Target Company, other than (i) the Acquirer; (ii) the parties to the Share Purchase Agreement (<i>defined below</i>); and (iii) any persons deemed to be acting in concert with the persons set out in (i) and (ii), pursuant to and in compliance with the SEBI (SAST) Regulations
EPS	Earnings Per Share calculated as profit after tax divided by number of equity shares issued.
Equity Share(s)/ Share(s)	The Equity Shares of the Target Company of face value of ₹ 10/- (Rupees Ten only) each of the Target Company.
Escrow Agreement	Escrow Agreement dated May 15, 2024, entered between the Acquirer, Escrow Bank and Manager to the Offer.
Escrow Bank / Escrow Agent	ICICI Bank Limited
Existing Promoters	Shall mean Nidhi Gupta, Aditya Gupta, Indra Devi Gupta, Virender Kumar Gupta and Devender Kumar Gupta
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investors registered with SEBI
Identified Date	Wednesday, June 26, 2024, i.e., the date falling on the 10 th (tenth) working day prior to the commencement of the tendering period, for the purposes of determining the Public Shareholders to whom the Letter of Offer shall be sent.
Letter of Offer/ LOF	The Letter of Offer, duly incorporating SEBI's comments on the Draft Letter of Offer
Manager to the Offer/ Manager	Saffron Capital Advisors Private Limited
NRI	Non-Resident Indians
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000
Offer/Open Offer	Up to 15,60,000 (Fifteen Lakh Sixty Thousand) fully paid up Equity Share of face value of ₹ 10/- each (Rupees Ten only) representing 26% (Twenty Six Percent) of Total Voting Share Capital of the Target Company at a price of ₹ 10/- (Rupees Ten only) per Equity Share payable in cash.
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only)

Particulars	Details/Definition
Offer Period	The period between the date on which the Public Announcement was issued by the Acquirer i.e., May 15, 2024 and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	₹ 10/- (Rupees Ten only) per Equity Share
Offer Size / Offer Shares	Up to 15,60,000 (Fifteen Lakh Sixty Thousand) fully paid-up Equity Share of face value of ₹ 10/- each representing 26% of Total Voting Share Capital of the Target Company at a price of ₹ 10/- (Rupees Ten only) per Equity Share payable in cash aggregating up to ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only).
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirer on May 15, 2024, in accordance with SEBI (SAST) Regulations
PAN	Permanent Account Number
RBI	Reserve Bank of India
Registrar to the Offer/RTA	Cameo Corporate Services Limited
SCRR	Securities Contract (Regulations) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 1997 and subsequent amendments thereof
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeover) Regulations, 2011 and subsequent amendments thereof
Sellers	Shall mean 1. Nidhi Gupta, 2. Aditya Gupta and 3. Indra Devi Gupta, each of whom are parties to the Share Purchase Agreement and are part of the existing promoters of the Target Company.
Selling Broker	Respective stockbrokers of all eligible Public Shareholders who desire to tender their Shares under the Open Offer
Stock Exchanges	BSE Limited and Calcutta Stock Exchange Limited
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto.
Share Purchase Agreement / SPA	Share Purchase Agreement dated May 15, 2024, executed between, the Acquirer Sellers and the Target Company pursuant to which Acquirer has agreed to acquire 33,31,800 (Thirty Three Lakh Thirty One Thousand Eight Hundred) (“ Sale Shares ”) Equity Shares of the Target Company constituting 55.53% of the Total Voting Share Capital of the Target Company at a price of ₹ 4.80/- (Rupees Four and Eighty Paise only) per Equity Share of the Target Company aggregating to ₹ 1,59,92,640/- (Rupees One Crore Fifty-Nine Lakhs Ninety Two Thousand Six Hundred and Forty only)
Target Company	Flora Textiles Limited having its registered office at No. 23, Bharathi Park Road, Coimbatore - 641043, Tamil Nadu, India.
Tendering Period	Period expected to commence from Wednesday, July 10, 2024, and close on Wednesday, July 24, 2024, both days inclusive
Total Voting Share Capital	means the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) working day from the closure of the Tendering Period of the Open Offer
Underlying Transaction	The transaction contemplated under the SPA
Working Day	has the same meaning as ascribed to it in the SEBI (SAST) Regulations

Notes:

1. All capitalized terms used in this DLOF and not specifically defined herein shall have the meaning as ascribed to them in the SEBI (SAST) Regulations.
2. In this DLOF, any reference to the singular will include the plural and vice-versa.

II. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF FLORA TEXTILES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGE ITS RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 30, 2024, TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

III. DETAILS OF THE OFFER

A) Background of the Offer

1. The Offer is a mandatory open offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations, pursuant to the execution of SPA for the substantial acquisition of shares or voting rights and control over the Target Company, to all the Public Shareholders of the Target Company, to acquire up to 15,60,000 (Fifteen Lakh Sixty Thousand) (“**Offer Shares**”) Equity Shares of face value of ₹ 10/- (Rupees Ten only) representing 26% of the Total Voting Share Capital (“**Offer Size**”), at an offer price of ₹ 10/- (Rupees Ten only) per Equity Share (“**Offer Price**”), aggregating to a total consideration of up to ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only), (“**Maximum Consideration**”).
2. The Acquirer has entered into a Share Purchase Agreement (“**SPA**”), dated May 15, 2024 with the Sellers whereby the Acquirer has agreed to acquire 33,31,800 (Thirty Three Lakh Thirty One Thousand Eight Hundred) Equity Shares (“**Sale Shares**”), representing 55.53% (Fifty Five point Five Three Percent) of the Total Voting Share Capital of the Target Company, from the Sellers at a price of ₹ 4.80/- (Rupees Four and Eighty Paise only) per Sale Share, aggregating to ₹ 1,59,92,640/- (Rupees One Crore Fifty-Nine Lakhs Ninety Two Thousand Six Hundred and Forty only) (“**Sale Consideration**”), subject to and in accordance with the terms and conditions contained in the SPA.
3. The salient features of the Share Purchase Agreement entered between the Acquirer and the Sellers are as follows:
 - a. The Sellers shall sell the Sale Shares to the Purchaser together with all rights, title, interest and benefit attaching to the Sale Shares and free and clear of any and all encumbrances, in consideration for the payment of the Purchase Price and the Purchaser shall purchase the Sale Shares, on the terms and conditions set out in the SPA.
 - b. The Sellers acknowledge that the Purchase Price shall constitute the full, final and valid discharge of the obligations of the Purchaser towards each of the Sellers for the purchase of all the Sale Shares.
 - c. Each Party shall cooperate and provide all information and assistance to the other Party and its advisors and authorized representative to enable them to verify the documents provided by such Party including in connection with the public announcement, detailed public statement and letter of offer, as required under the SEBI Takeover Regulations.
 - d. The Purchasers shall have obtained all relevant corporate approvals, third party approvals and appropriate authorization from Government authorities, necessary for consummation by it of the transaction contemplated hereby.
 - e. The Purchaser shall have commenced the Open Offer process in accordance with the SEBI Takeover Regulations and deposited the entire sum due and payable to shareholders of the Company as consideration payable under the open offer in the escrow account opened by the Purchaser for the open offer, in accordance with the provisions of Regulation 17 and 22 (2) of the SEBI Takeover Regulation.
 - f. The Purchaser may complete the acquisition of shares or voting rights in or control over Target Company as contemplated under this agreement in accordance with Regulation 22(2) of SEBI Takeover Regulations.
4. The Acquirer has deposited the entire consideration payable to the Public Shareholders under this Offer in compliance with the Regulation 22 of the SEBI (SAST) Regulations. Accordingly, the Acquirer may acquire the SPA Shares and also obtain management control in the Target Company subsequent to expiry of 21 (Twenty-One) working days from the date of the DPS. Further, in accordance with Regulation 24(1) of the SEBI (SAST) Regulations, the Acquirer may make changes to the current board of directors of the Target Company by appointing either themselves and/or their nominees to represent them.
5. Pursuant to the consummation of the underlying transaction and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will acquire control over the Target Company and will become the promoter of the Target Company in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI (LODR) Regulations**”). Further, pursuant to the completion of underlying transaction, the Sellers shall not hold any Equity Shares of the Target Company and the Sellers along with other existing promoters i.e. Devender Kumar Gupta and Virender Kumar Gupta of the Target Company shall relinquish the control and management of the Target Company in favor of the Acquirer and be declassified from the promoter category, in accordance with the provisions of Regulation 31 A of the SEBI (LODR) Regulations.
6. The primary objective of the Acquirer for the above-mentioned acquisition is substantial acquisition of shares and voting rights accompanied with the change in control and management in the Target Company and acquisition of management control of the Target Company. The Acquirer may diversify its business activities

in future into other lines of business, however, depending on the requirements and expediency of the business situation and subject to all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company.

7. The Offer Price shall be payable in cash, in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
8. This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
9. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company or Open Market Purchase.
10. The Acquirer is not prohibited by SEBI from dealing in securities, pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any regulations made under the SEBI Act.
11. The Acquirer does not have any nominee directors or representatives on the board of directors of the Target Company as on the date of this DLOF.
12. The recommendation of the committee of Independent Directors as constituted by the Board of Directors of the Target Company on the Offer will be published at least 2 (two) working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy thereof shall be sent to SEBI, Stock Exchanges and the Manager to the Offer and in case of a competing offer(s) to the manager(s) to the open offer for every competing offer.

B) Details of the proposed Offer:

1. The Public Announcement announcing the Open offer, under Regulations 3(1) and 4 of the SEBI (SAST) Regulations was filed with the Stock Exchanges on Wednesday, May 15, 2024, and a copy thereof was also filed with SEBI and sent to the Target Company on Wednesday, May 15, 2024.
2. In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on Friday, May 24, 2024:

Sr. No.	Newspapers	Language	Editions
1	Financial Express	English	All Editions
2	Jansatta	Hindi	All Editions
3	Dinakural	Tamil	Coimbatore Edition - Registered office of Target Company
4	Navshakti	Marathi	Mumbai edition

Simultaneously, in accordance with the provisions of Regulation 14(4) of SEBI (SAST) Regulations, a copy of the DPS was sent through the Manager to the Offer to: (i) SEBI; (ii) BSE; (iii) CSE and (iv) the Target Company on **Friday, May 24, 2024**. A copy of DPS is also available on the website of SEBI at www.sebi.gov.in, BSE at www.bseindia.com and on the website of Manager to the Offer at www.saffronadvisor.com.

3. This Open Offer is being made by the Acquirer to the Public shareholders of the Target Company to acquire up to 15,60,000 (Fifteen Lakh Sixty Thousand) fully paid up Equity Shares ("**Offer Shares**") representing 26% (Twenty-Six Percent) of the total voting share capital of the Target Company, at an offer price of ₹ 10/- (Rupees Ten only) per Equity Share, aggregating to ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only) payable in cash subject to the receipt of statutory approvals and terms and conditions mentioned therein.
4. As per the shareholding pattern filed by the Target Company with BSE for the quarter ended March 31, 2024 there are no: (i) partly paid-up equity shares; (ii) Equity Shares carrying differential voting rights; and/ or (iii) outstanding convertible instruments (such as depository receipts, fully convertible debentures, warrants, convertible preference shares, etc.) issued by the Target Company which are convertible into Equity Shares of the Target Company.
5. There is no differential pricing for the Offer.

6. This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations. Further, there is no competing offer as on the date of this Draft Letter of Offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
7. The Acquirer has not acquired any Equity Shares of the Target Company after the date of PA i.e., Wednesday, May 15, 2024 and up to the date of this DLOF.
8. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Equity Shares are clear from all lien, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Open Offer, together with all the rights attached thereto, including all the rights to dividends, bonuses and right offers declared thereof and in accordance with the terms and conditions set forth in the PA, the DPS and as will be set out in the Letter of Offer, and the tendering of Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
9. The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this DLOF. The Manager to the Offer further declares and undertakes not to deal on its account in the Equity Shares during the Open Offer period in terms of Regulation 27(6) of SEBI (SAST) Regulations.
10. Pursuant to completion of this Open Offer, assuming full acceptance, the minimum public shareholding (MPS) of the Target Company will fall below 25% of the Total Voting Share Capital in terms of Regulation 38 of the SEBI (LODR) Regulation read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957 (“SCRR”). In such an event, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding requirements within the timeline set out in SCRR in compliance with applicable laws, within the prescribed period.
11. If the Acquirer acquire Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose Equity Shares have been accepted in the Offer within 60 (sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to Delisting Regulations, 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.

IV. OBJECT OF THE ACQUISITION/ OFFER

1. The primary objective of the Acquirer for the above-mentioned acquisition is substantial acquisition of shares and voting rights accompanied with the change in control and management in the Target Company and acquisition of management control of the Target Company. The Acquirer may diversify its business activities in future into other lines of business, however, depending on the requirements and expediency of the business situation and subject to all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company.
2. The Acquirer does not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of 2 (two) years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within 2 (Two) years from the completion of Offer will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.

V. BACKGROUND OF THE ACQUIRER

Oilmax Energy Private Limited (“Acquirer”)

- i. Acquirer was incorporated as a private limited company in the name of ‘Oilmax Energy Private Limited’ pursuant to a certificate of incorporation dated August 02, 2008 issued by Registrar of Companies, Mumbai, Maharashtra. The Corporate Identification Number of the Acquirer is U40101MH2008PTC185357. There has been no change in the name of the Acquirer since its inception.
- ii. The registered office of the Acquirer is situated at 3A, 3rd Floor, Omkar Esquare, Chunnabhatti Signal, Eastern Express Highway, Sion (East), Mumbai - 400022, Maharashtra, India. The contact details of the Acquirer is **Tel. No.:** +91 22 42441100, and **E-mail id:** secretarial@oilmax.in.
- iii. Acquirer is primarily engaged in the business of integrated oil & gas company, with a balanced portfolio, spreading from exploration, production, engineering procurement and construction (EPC), operation & maintenance of gas business.
- iv. As on date of this DLOF, the authorized share capital of the Acquirer is ₹ 6,02,00,000/- (Rupees Six Crores and Two Lakh only) comprising 60,20,000 (Sixty Lakh Twenty Thousand) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each. The issued and paid-up equity share capital of the Acquirer is ₹ 5,69,72,440/- (Rupees Five Crore Sixty-Nine Lakh Seventy Two Thousand Four Hundred and Forty only) comprising of 56,97,244 (Fifty Six Lakh Ninety Seven Thousand Two Hundred Forty Four) Equity Shares of face value of ₹ 10/- (Rupees Ten only) each.
- v. The Equity Shares of Acquirer are not listed on any stock exchanges in India or abroad.
- vi. The shareholding pattern of the Acquirer as on date of this DLOF is as follows:

Sr. No.	Name of Key Shareholders/Promoters & Promoter Group	No. of Shares	%
A.	Promoters and Promoter group holding		
	Ritu Garg	23,76,027	41.70
	Kapil Garg	2,05,000	3.60
	Energia Consultancy LLP	7,43,070	13.04
	Bright Gold Petroleum Private Limited	3,16,000	5.55
	Krishna Madhav Oil & Gas Private Limited	5,23,821	9.20
	Solaeon Energy Guidance LLP	56,973	1.00
	Total (A)	42,20,891	74.09
B.	Non-Promoters holding		
I.	Individuals	4,80,053	8.43
II.	Body Corporates	9,96,300	17.48
	Total (B)	14,76,353	25.91
	Grand Total	56,97,244	100.00

- vii. Names, DIN, date of appointment and details of experience & qualifications of the directors on the board of directors of the Acquirer, are as follows:

Name of Director	DIN	Designation	Appointment Date	Qualification	Experience
Kapil Garg	01360843	Managing Director	01-02-2009	Bachelor of Engineering (B.E.) and a Master’s degree in Chemical Engineering from the Indian Institute of Technology, Roorkee	Mr. Kapil Garg is the Founder and Promoter of Oilmax Energy Pvt Ltd. He founded the Company in the year 2008.
Anish Garg	07995344	Director	29-03-2022	Bachelor of Science in Mechanical Engineer from the Georgia Institute of Technology	Mr. Anish Garg heads Business Strategy, Mergers & Acquisitions and drives key business

					operations, actively involved in planning and executing Oilmax Energy's diversification strategies within India and overseas.
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None of the directors of the Acquirer are on the Board of Directors of the Target Company.

- viii. The key financial information of the Acquirer as extracted from its consolidated audited financial statements as at and for each of the 3 (three) preceding financial years ended on March 31, 2023, March 31, 2022, and March 31, 2021, is as follows:

(₹ in lakhs)

Profit and Loss Statement			
Profit & Loss Statement	Financial Year ending March 31		
	2023	2022	2021
Revenue from Operations	23,708.13	28,877.24	22,878.98
Other Income	750.60	1,099.57	842.87
Total Income	24,458.73	29,976.81	23,721.85
Expenses:			
Operating and share of expenses from producing oil and gas block	10,075.73	16,085.82	14,618.25
Increase/Decrease in stock of crude oil and condensate	(7.35)	-	-
Employee Benefit Expenses	5,070.23	2,569.62	1,549.16
Finance Cost	599.75	357.15	138.71
Other Expenses	3,001.42	2,899.85	1,392.88
Total Expenses	18,739.78	21,912.44	17,699.00
Profit before Depreciation and Tax	5,718.94	8,064.36	6,022.85
Depreciation and amortisation expenses	3,301.74	3,592.18	2,384.84
Profit/(Loss) before exceptional items and Tax	2,417.20	4,472.18	3,638.01
Share of profit of a joint venture	(61.10)	-	-
Exceptional Items	3,682.84	(476.09)	(1,234.46)
Profit before Tax	(1,204.54)	3,996.09	2,403.55
Income Tax Expenses:			
Current Tax	950.00	331.12	194.32
Deferred Tax charge/ (credit)	48.57	65.92	27.34
Tax of earlier years	-	(162.08)	(5.71)
Profit for the year (A)	(2,203.11)	3,761.13	2,187.60
Other comprehensive income (OCI)			
a) Items not to be reclassified subsequently to profit or loss			
Gain/(loss) on fair value of defined benefit plans	59.74	-	-
Changes in fair value of investment through other comprehensive income	23.42	-	-
Remeasurements of post employment benefit obligations	(0.11)	(30.54)	(1.92)
Income tax relating to above items	0.03	-	-
b) Items to be reclassified subsequently to statement of profit or loss (net of tax)			
Foreign currency translation reserve	118.30	99.35	(43.76)
Other comprehensive income for the year, net of tax (B)	201.38	68.81	(45.68)

Total comprehensive income/(loss) for the year (A-B)	(2,001.73)	3,829.94	2,141.92
Profit for the year attributable to			
a) Owners of the Holding Company	(464.37)	2,147.60	1,194.26
b) Non-controlling interest	(1,738.74)	1,613.54	993.24
Total comprehensive income attributable to			
a) Owners of the Holding Company	(356.66)	2,184.82	1,183.90
b) Non-controlling interest	(1,645.08)	1,645.12	958.03

(₹ in lakhs)

Balance Sheet			
Balance Sheet Statement	Financial Year ending March 31		
	2023	2022	2021
Sources of Funds			
Equity share capital	569.72	569.72	550.76
Other Equity	25,108.17	25,371.05	21,919.47
Non Controlling Interest	7,784.26	9,950.97	8,305.85
Net worth	33,462.15	35,891.74	30,776.08
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	259.47	352.84	327.14
Other financial liabilities	5,845.99	5,272.16	124.31
Other non - current liabilities	121.99	90.00	17.62
Deferred tax Liabilities (net)	60.77	16.92	-
Provisions	685.90	439.20	52.81
Total non-current liabilities	6,974.12	6,171.12	521.88
Current liabilities			
Financial liabilities			
Borrowings	1,721.40	690.14	37.62
Trade payables			
Dues to micro enterprise and small enterprise	440.87	565.88	384.18
Other than micro enterprise and small enterprise	4,063.03	6,766.68	8,871.57
Other financial liabilities	1,195.55	1,785.06	6,108.34
Other current liabilities	2,378.04	216.81	118.18
Provisions	121.06	128.90	110.93
Current tax liabilities	1,339.26	1,215.64	1,178.72
Total current liabilities	11,259.21	11,369.11	16,809.54
Total Equity & Liabilities	51,695.48	53,431.97	48,107.50
Assets			
Non-current assets			
Property, plant and equipment	10,713.27	12,615.59	13,100.14
Capital Work in Progress (Block)	1,263.41	3,624.40	4,431.57
Right to use assets	963.28	143.51	308.23
Intangible Assets	5,318.08	5,930.11	180.48
Goodwill on Consolidation	3,002.45	3,389.08	3,389.08

Investment in joint ventures accounted for using equity method	61.10	-	-
Financial assets			
Non-current Investments	2,479.68	2,447.39	1,889.62
Loans and Advances	5,602.89	1,023.44	389.49
Other financial assets	1,514.10	715.99	2,362.15
Income Tax Assets (Net)	343.74	359.25	524.42
Deferred tax Assets (net)	-	-	49.88
Other non - current Assets	653.00	960.64	768.36
Total non-current Assets	31,915.00	31,209.40	27,393.42
Current Assets			
Inventories	7.35	-	-
Financial assets			
Current Investments	2,227.85	0.22	117.54
Trade Receivables	8,858.84	10,301.20	12,471.84
Cash and Cash equivalent	1,977.15	2,889.41	1,258.70
Other bank balances	1,782.76	2,226.55	1,180.63
Loans and Advances	1,124.22	251.14	204.55
Other financial Assets	1,261.94	2,576.22	24.88
Other current Assets	2,540.37	3,977.82	5,455.94
Total current Assets	19,780.48	22,222.56	20,714.08
Total Assets	51,695.48	53,431.96	48,107.50

Other Financial Data			
Other Financial Data	Financial Year ending March 31		
	2023	2022	2021
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (₹)	(35.14)	65.99	0.94

Note:

The key financial information for the financial year ended March 31, 2023, March 31, 2022, March 31, 2021 is extracted from the consolidated audited financial statements of the Acquirer.

- ix. The key financial information of Acquirer as extracted from its unaudited consolidated financial statements for the 9 (nine) months period ended December 31, 2023, is as follows:

(₹ in lakhs)

Profit and Loss Statement	
Profit & Loss Statement	Nine months period ended December 31, 2023*
Revenue from Operations	2,7546.93
Other Income	1,149.06
Total Income	28,695.99
Expenses:	
Operating and share of expenses from producing oil and gas block	15,811.70
Increase/Decrease in stock of crude oil and condensate	(24.37)
Employee Benefit Expenses	4,619.27
Finance Cost	453.42
Other Expenses	2,035.55

Total Expenses	22,895.57
Profit before Depreciation and Tax	5,800.42
Depreciation and amortisation expenses	2,104.55
Profit/(Loss) before exceptional items and Tax	3,695.87
Share of profit of a joint venture	124.03
Exceptional Items	-
Profit before Tax	3,819.90

*Unaudited consolidated financials for the period ended December 31, 2023 are certified by the management of the Acquirer.

(₹ in lakhs)

Balance Sheet	
Balance Sheet Statement	Nine months period ended December 31, 2023*
Sources of Funds	
Equity share capital	2,044.69
Other Equity	33,849.31
Net worth	35,894.00
Liabilities	
Non-current liabilities	
Financial liabilities	
Borrowings	4,098.11
Other financial liabilities	5,065.41
Other non - current liabilities	125.43
Deferred tax Liabilities (net)	
Provisions	208.50
Total non-current liabilities	9,497.45
Current liabilities	
Financial liabilities	
Borrowings	2,194.36
Trade payables	7,426.37
Other financial liabilities	4,513.13
Other current liabilities	1,382.39
Provisions	2.76
Current tax liabilities	1,349.20
Total current liabilities	16,868.21
Total Equity & Liabilities	62,259.66
Assets	
Non-current assets	
Property, plant and equipment	13,081.79
Capital Work in Progress (Block)	1,263.42
Right to use assets	860.27
Intangible Assets	4,866.72
Investment in joint ventures accounted for using equity method	185.13
Financial assets	
Non-current Investments	2,319.92
Loans and Advances	8,341.18
Other financial assets	1,499.12
Income Tax Assets (Net)	915.98

Deferred tax Assets (net)	255.02
Other non - current Assets	897.48
Total non-current Assets	34,486.03
Current Assets	
Inventories	31.72
Financial assets	
Current Investments	2,727.69
Trade Receivables	12,098.63
Cash and Cash equivalent	5,172.71
Other bank balances	676.03
Loans and Advances	517.12
Other financial Assets	392.16
Unbilled work in progress (contract assets)	3,616.06
Other current Assets	2,541.52
Total current Assets	27,773.64
Total Assets	62,259.67

*Unaudited consolidated financials for the period ended December 31, 2023 are certified by the management of the Acquirer.

- x. The contingent liabilities of the Acquirer on consolidated basis as on December 31, 2023, are as follows:

(₹ in lakhs)

Sr.No	Particulars	Amount (₹)
1	Bank Guarantee	3,969.00
2	Corporate Guarantee	7,000.00
	Total	10,969.00

- xi. The Networth of Acquirer as on December 31, 2023, is ₹ 35,894.00 Lakhs only (Rupees Thirty Five Thousand Eight Hundred and Ninety Four Lakhs only) and the same is certified by Vivek Gupta, Chartered Accountants (Membership No. 432103), having office at 202, Anurag Residency, Dasrahalli Main Road, Bangalore, Karnataka – 560024; Email id: cavivek2848@gmail.com; vide certificate dated May 15, 2024 bearing Unique Document Identification Number (UDIN) –24432103BKEMVJ7845.
- xii. The Acquirer executed a Scheme of Merger by absorption, facilitating a fast-track merger with Terrain Oil and Gas Private Limited and Cambay Oil and Gas Private Limited, both wholly owned subsidiaries of the Acquirer in the year 2023.
- xiii. The Acquirer does not belong to any group.
- xiv. The Acquirer has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (“SEBI Act”) or under any other Regulation made under the SEBI Act.
- xv. Neither the Acquirer nor any of the promoters, directors, key managerial personal (as defined in the Companies Act, 2013) have been categorized or declared as “willful defaulter” by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI, in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
- xvi. None of the Promoters, directors, key managerial personal (as defined in the Companies Act, 2013) have been categorized as "fugitive economic offender" under Section 12 of Fugitive Economic Offender Act, 2018, in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- xvii. The Acquirer, its directors, its promoters and its key managerial personnel (as defined in the Companies Act, 2013) do not hold any ownership/interest/relationship/Equity Shares/Voting Rights in the Target Company.
- xviii. As on date of this DLOF, there are no directors representing the Acquirer on the Board of Directors of the Target Company.
- xix. No person is acting in concert with the Acquirer for the purpose of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST)

Regulations (“Deemed PACs”), however, such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.

- xx. As on the date of this DLOF, the Acquirer does not hold any Equity Shares or voting rights in the Target Company. Further, neither the Acquirer nor the directors or key managerial personnel of Acquirer have any relationship with or interest in the Target Company, except for the underlying transaction, which has triggered the Open Offer. As on the date of this DLOF, the Acquirer has no relationship/ association with the Sellers, the current Promoter and Promoter Group of the Target Company and the Target Company.
- xxi. The Acquirer undertakes to not sell the Equity Shares of the Target Company held and acquired if any, by him during the “**Offer Period**” in terms of Regulation 25(4) of the SEBI (SAST) Regulations.

VI BACKGROUND OF THE TARGET COMPANY – FLORA TEXTILES LIMITED

(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)

- i. The Target Company is a public limited company and was incorporated on March 10, 1993 under the provisions of Companies Act, 1956, with the Registrar of Companies, Coimbatore, Tamil Nadu ("ROC") in the name of Flora Textiles Limited vide Certificate of Incorporation bearing registration No. 181-4290. The Corporate Identification Number of the Target Company is L17111TZ1993PLC004290. There has been no change in the name of the Target Company in the last 3 (three) years.
- ii. The Registered Office of the Target Company is located at No. 23, Bharathi Park Road, Coimbatore - 641043, Tamil Nadu, India. **Tel No.:** 0422-3535393; **Email id:** floratex1@gmail.com; **Website:** www.floratextiles.in.
- iii. The Equity Shares of the Target Company are listed on BSE (**Scrip Code:** 530705 and **Security ID:** FLORATX) and CSE (**Scrip Code:** 16018). The ISIN of Equity Shares of Target Company is INE161F01011. As on the date of this DLOF, the Target Company has established the connectivity with NSDL and is in the process of establishing connectivity with CDSL. The Equity Shares of the Target Company is in 'P' group and the market lot is 100. However, post establishing connectivity with CDSL, the market lot will change from 100 to 1 Equity Share.
- iv. The Target Company has been in the business of textiles ever since its incorporation. The Target Company was into the business of trading and job manufacturing business of yarn and fabric. However as per the annual report of the Target Company from the financial year 2019-20 till 2022-23, the Target Company was into the business of renting of its immovable properties.
- v. The Authorized Equity Share Capital of the Target Company is ₹ 10,80,00,000/- (Rupees Ten Crore Eighty Lakh only) comprising 1,08,00,000 (One Crore Eight Lakh) Equity Shares of face value of ₹ 10/- (Rupees ten Only) each. The issued and paid-up Equity Share Capital of the Target Company as on the date is ₹ 6,00,00,000/- (Rupees Six Crore Only) comprising 60,00,000 (Sixty Lakh) Equity Share of face value of ₹ 10/- (Rupees ten Only) each.
- vi. As per the shareholding pattern filed by the Target Company with BSE for the quarter ended March 31, 2024 there are no: (i) partly paid-up equity shares; (ii) Equity Shares carrying differential voting rights; and/ or (iii) outstanding convertible instruments (such as depository receipts, fully convertible debentures, warrants, convertible preference shares, etc.) issued by the Target Company which are convertible into Equity Shares of the Target Company.
- vii. The capital structure of the Target Company as on date of this DLOF is:

Issued and Paid-up Equity Share of Target Company	No. of Equity Shares/voting rights	% of Equity Shares/voting rights
Fully paid-up Equity Shares	60,00,000	100.00
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	60,00,000	100.00
Total Voting Rights in Target Company	60,00,000	100.00

- viii. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years.
- ix. None of the Equity Shares of the Target Company are currently locked-in.
- x. As on the date of this DLOF, the composition of the Board of Directors of the Target Company is as follows:

Name of the Director	Designation	DIN	Date of Appointment
Nidhi Gupta	Managing Director	01825531	04-01-2014
Hemchand Gupta R	Additional Director*	08270656	31-10-2018
Payal Bafna	Independent Director*	09075302	29-04-2023
Rahul Maheswari	Independent Director *	07084721	07-02-2024
Ravindrakumar	Director	01470047	30-04-2002

**The Target Company has appointed Ms. Payal Bafna as Non-Executive Independent Director and Mr. Rahul Maheshwari as an Independent Director cum Chairman of the Company. However the relevant forms pertaining to these appointments have not yet been filed with the Ministry of Corporate Affairs (MCA). Further on September 23, 2019, Mr. Hemchand Gupta R's regularization was duly approved through a shareholders' resolution. However, requisite forms related to this regularization are yet to be filed with MCA.*

There are no directors representing the Acquirer on the Board of Directors of the Target Company.

- xi. The trading in the Equity Shares of the Target Company was suspended due to non-compliance with the provisions of listing agreement however, the said suspension was revoked by BSE vide notice bearing reference number 20110103-16 dated January 03, 2011. (Source: <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20110103-16>).

As on date of this DLOF, the trading in Equity Shares of the Target Company is currently suspended on CSE due to non-compliance with the provisions of listing agreement.

- xii. There were some penal and punitive actions taken by the Stock Exchanges in the preceding 8 (Eight) Financial Years with respect to non-compliance with SEBI (LODR) Regulations and/or Listing Agreement. The details of the same are provided below:

Sr. No.	Competent Authority	Regulatory Charges	Regulatory actions/date of order	Further development
1	BSE	Did not appoint Compliance Officer for the Quarter ended 30-Sep-2019	Imposed fine Rs. 35,400/-	Not appearing in the list for the Quarter ended 31-Dec-2019
2	BSE	Did not submit Corporate Governance Report for the Quarter ended 31-Dec-2015	Put up on BSE website for Public Notice 31-Dec-2015	Not appearing in the list for the Quarter ended 31-Mar-2016

(Source: www.watchoutinvestors.com)

BSE through an email dated September 30, 2021, imposed a fine ₹ 11,800/- on the Target Company for non-compliance with Regulation 29(2)/29(3). The Target Company remitted the fine to BSE on October 01, 2021.

Further, as per CSE letter dated February 15, 2021, the Target Company has not paid the Listing fees for the Financial Year 1998-1999 till 2020-21 amounting ₹ 2,46,750/- along with applicable taxes. The Target Company is liable to pay penalty @25% p.a. on the respective years of outstanding listing fees since the date of suspension. The Target Company was suspended from trading on the CSE effective June 17, 2004.

- xiii. Details of delayed/non-compliances of the Promoters of the Target Company in terms of SEBI (SAST) Regulations is given below:

Sr. No	Regulation	Financial Year	Due date for Compliance	Actual compliance date	Delay, if any	Status of Compliance	Remarks
1	30 (1) & (2)	2016-17	12-Apr-2017	02-May-2024	2577 days	Complied but delayed	Delayed Compliance
2	30 (1) & (2)	2017-18	10-Apr-2018	02-May-2024	2214 days	Complied but delayed	Delayed Compliance
3	30 (1) & (2)	2018-19	09-Apr-2019	-	-	-	Based on the information available on the BSE website, it is indicated that the promoters have submitted the Annual Disclosure. However, the promoters of the Target Company have not been able to provide the proof of submission made.
4	30 (1) & (2)	2019-20	15-Apr-2020	02-May-2024	1478 days	Complied but delayed	Delayed Compliance
5	30 (1) & (2)	2020-21	12-Apr-2021	02-May-2024	1116 days	Complied but delayed	Delayed Compliance
6	31(4)	2019-20	15-Apr-2020	06-Apr-2024	1452 days	Complied but delayed	Delayed Compliance
7	31(4)	2020-21	12-Apr-2021	06-Apr-2024	1090 days	Complied but delayed	Delayed Compliance
8	31(4)	2021-22	11-Apr-2022	Initial filed on-6-Apr-2022 and 7-Apr-2022	726 days	Complied but delayed	Based on the information available on the BSE website, it

				Revised Filed on- 6-Apr-2024			has been seen that the initial filings made by the promoters were found to be incorrect. Subsequently, the promoters rectified this by submitting revised filings. These revised are now considered as delayed compliance.
9	31(4)	2022-23	13-Apr-2023	Initial filed on- 11-Apr-2023 Revised Filed on- 6-Apr-2024	359 days	Complied but delayed	Based on the information available on the BSE website, it has been seen that the initial filings made by the promoters were found to be incorrect. Subsequently, the promoters rectified this by submitting revised filings. These revised are now considered as delayed compliance.
10	10(6)	2023-24	16-Oct 2023	20-Oct-2023	-	Not Complied	Refer Note*

*Note: Mr. Ajit Kumar Gupta, who was previously listed as Promoter in the shareholding pattern filed by the Target Company with BSE until September 2023 passed away on December 31, 2013. On October 16, 2023, the shares previously held by Mr. Ajit Kumar Gupta were legally transmitted to his wife Mrs. Indra Devi Gupta as per final verdict issued by Principal Subordinate Judge, Coimbatore. This transmission was facilitated for the issuance of a Succession Certificate, as documented in the Succession Original Petition dated July 24, 2023.

The Target Company and/or Promoters of the Target Company have not made any submission as required under SEBI (SAST) Regulation for the preceding 8 (Eight) financial years to CSE.

SEBI may take appropriate action against the Promoters of the Target Company and/or Target Company in accordance with SEBI (SAST) Regulations and provisions of SEBI Act for any non-compliance/delay of SEBI (SAST) Regulations.

- xiv. Based on the shareholding pattern filed with BSE by the Target Company for the quarter ended March 2019, we have observed that Ms. Anita Gupta, a promoter, transferred her entire holding to another promoter, Mr. Devendra Kumar Gupta. Subsequently, Ms. Anita Gupta was removed from the promoter category in the shareholding pattern filed by the Target Company with the BSE from the March 2019. However, it appears that the procedure for reclassification was not followed during this transition. The Target Company asserts that no communication has been received from the BSE regarding this matter. Furthermore, no penalty has been imposed by the BSE for removing the name of Ms. Anita Gupta's name from the promoter category.

SEBI may initiate appropriate action against the Target Company and/or Promoters for the aforesaid violation in terms of SEBI (LODR) Regulations.

- xv. The key financial information of the Target Company as extracted from its audited financial statements as at and for each of the 3 (three) preceding financial year ended on March 31, 2024, March 31, 2023, and March 31, 2022 are as follow:

(₹ in lakhs)

Profit and Loss Statement			
Profit & Loss Statement	For the Financial Year ending March 31		
	2024	2023	2022
Revenue from Operations	45.73	41.64	135.02
Other Income	605.39	1.19	6.44
Total Income	651.12	42.83	141.46
Total Expenditure	43.38	109.03	87.9
Profit Before Depreciation Interest and Tax	594.56	0.94	113.42
Depreciation	4.38	3.79	5.22
Interest	8.80	63.35	54.64
Profit/(Loss) before Exceptional items and Tax	607.74	(66.21)	53.56

Exceptional Items			
Profit Before Tax	607.74	(66.21)	53.56
Provision for Tax			
Profit After Tax	607.74	(66.21)	53.56

Balance Sheet			
Balance Sheet Statement	For the Financial Year ending March 31		
	2024	2023	2022
Sources of Funds			
Paid up share capital	600	600	600
Other Equity	(1,240.67)	(1,848.40)	(1,782.20)
Net worth	(640.67)	(1,248.40)	(1,182.20)
Non-current liabilities			
Financial Liabilities			
Borrowings	634.23	1,282.16	1,242.16
Current Liabilities			
Financial Liabilities			
Trade payables	4.25	14.09	9.27
Other current Liabilities	23.00	23.00	23.00
Total	20.80	70.84	92.23
Use of Funds			
Non-current assets			
Property, Plant and Equipment	-	57.54	66.8
Current Assets			
Financial Assets			
Financial Assets			
Investments	-	-	-
Trade receivables	-	-	-
Cash and cash equivalents	5.15	2.86	3.1
Other Current assets	15.65	10.42	22.32
Total	20.80	70.84	92.23

Other Financial Data			
Other Financial Data	For the financial Year ending March 31		
	2024	2023	2022
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (₹)	10.13	(1.10)	0.89
Return on Net worth (%)	Nil	Nil	Nil
Book Value per share (₹)	(10.67)	(20.80)	(19.70)

xvi. Pre and Post Offer shareholding pattern of the Target Company is as follows:

Shareholders Category	Shareholding & voting rights prior to the agreement/acquisition and offer⁽¹⁾		Equity Shares/ voting rights agreed to be acquired which triggered the Offer		Equity Shares/ voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and Open Offer	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%⁽⁴⁾	No.	%⁽⁴⁾	No.	%⁽⁴⁾	No.	%⁽⁴⁾
(1) Promoter and Promoter Group								

Shareholders Category	Shareholding & voting rights prior to the agreement/acquisition and offer ⁽¹⁾		Equity Shares/ voting rights agreed to be acquired which triggered the Offer		Equity Shares/ voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and Open Offer	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	% ⁽⁴⁾	No.	% ⁽⁴⁾	No.	% ⁽⁴⁾	No.	% ⁽⁴⁾
a. Parties to the agreement:								
Nidhi Gupta	8,17,401	13.62	(8,17,401)	(13.62)	-	-	-	-
Aditya Gupta	8,84,301	14.74	(8,84,301)	(14.74)	-	-	-	-
Indra Devi Gupta	16,30,098	27.17	(16,30,098)	(27.17)	-	-	-	-
b. Promoters other than (a) above, excluding Acquirer ⁽⁵⁾	-	-	-	-	-	-	-	-
Devender Kumar Gupta	0	0.00						
Virender Kumar Gupta	0	0.00						
Total 1 (a+b)	33,31,800	55.53	(33,31,800)	(55.53)	-	-	-	-
(2) Acquirer								
Oilmax Energy Private Limited	-	-	33,31,800	55.53	15,60,000	26.00	48,91,800	81.53
Total (2) ⁽²⁾			33,31,800	55.53	15,60,000	26.00	48,91,800	81.53
(3) Parties to SPA other than (1)& (2)	-	-	-	-	-	-	-	-
(4) Public⁽³⁾	26,68,200	44.47	-	-	(15,60,000)	(26.00)	11,08,200	18.47
Grand Total (1+2+3+4)	60,00,000	100.00	-	-	-	-	60,00,000	100.00

Notes:

1. Based on the shareholding (from beneficiary position data) as of May 24, 2024.
2. As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Open Offer, pursuant to the Share Purchase Agreement and/or during the Offer period (if any), the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, and in a manner acceptable to the Acquirer.
3. As on May 24, 2024, the total number of shareholders of the Target Company in the "public category" were 1,986.
4. Calculated as a percentage of the Total Voting Share Capital.
5. On April 23, 2024, the promoters Mr. Devender Kumar Gupta and Mr. Virender Kumar Gupta executed the transfer of their entire holding to Mr. Aditya Kumar Gupta in accordance with proviso (i) of sub regulation (1) of Regulation 4 of SEBI (Prohibition of Insider Trading) regulations, 2015. Accordingly, as of date Devender Kumar Gupta and Virender Kumar Gupta do not hold any Equity Shares of the Target Company. Furthermore, they have expressed their intention to relinquish control and management of the Target Company in favor of the Acquirer and be declassified from the promoter category in accordance with the provisions of Regulation 31 A of the SEBI (LODR) Regulations.

- xvii. The Target Company and its directors are not categorized as willful defaulter and fugitive economic offender in terms of Regulation 2(1)(ze) and 2(1)(ja) of the SEBI (SAST) Regulations.
- xviii. There are no directions subsisting or proceedings pending against the Target Company under SEBI Act, 1992 and regulations made there under, also by other Regulator and no penalties are levied by SEBI/RBI against the Target Company.
- xix. The Target Company proposed a scheme of arrangement between itself and its 2 (two) unsecured creditors in the financial year 2021-22. The purpose of this scheme was to address the settlement of dues payable by the Target Company. Subsequently, the Target Company filed an application with the BSE in this regard. However, due to the protracted nature of the process, the Target Company has decided to withdraw the scheme of arrangement and passed a board resolution for withdrawing the scheme on April 30, 2024.

VII OFFER PRICE AND FINANCIAL ARRANGEMENTS

A) JUSTIFICATION FOR THE OFFER PRICE

1. The Equity Shares of the Target Company are listed on BSE (**Scrip Code:** 530705 and **Security ID:** FLORATX) and CSE (**Scrip Code:** 16018). The ISIN of Equity Shares of Target Company is INE161F01011.
2. The trading turnover in the Equity Shares based on the trading volumes on the BSE during the 12 (twelve) calendar months preceding the calendar month in which the PA was required to be made, i.e., from May 01, 2023, to April 30, 2024 (“**Relevant Period**”) is as given below:

Stock Exchanges	Total traded volumes during the Relevant Period	Total number of Equity Shares during the Relevant Period	Trading turnover %
BSE	18,800	60,00,000	0.31

(Source: www.bseindia.com)

No trading was executed on CSE.

3. Based on the above, the Equity Shares of the Target Company are infrequently traded on the BSE within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.
4. The Offer Price of ₹ 10/- (Rupees Ten only) per Equity Shares has been determined in terms of Regulations 8 (1) and 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sr. No.	Particulars	Price
a)	The highest negotiated price per share of the Target Company for any acquisition under the agreements attracting the obligations to make a public announcement of this open offer i.e., the price per Equity Share under the SPA	₹ 4.80/-
b)	The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA	Not Applicable
c)	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer, during the twenty-six weeks immediately preceding the date of the PA	Not Applicable
d)	The volume-weighted average market price per Equity Share for a period of 60 (sixty) trading days immediately preceding the date of the PA as traded on BSE, being the stock exchange where the maximum volume of trading in the Equity Shares was recorded during such period, and such shares being frequently traded	Not Applicable ⁽¹⁾
e)	Where the shares are not frequently traded, 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	₹ 4.65/- [#]
f)	The per equity share value computed under regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not Applicable ⁽²⁾

Note

⁽¹⁾ Not Applicable as the Equity Shares are infrequently traded.

⁽²⁾ Not Applicable since the acquisition is not an indirect acquisition.

Mr. Sanka Hari Surya, IBBI Registered Valuer – Securities or Financial Assets) (Registration No. IBBI/RV/07/2019/12576) having office at Shree Mahavir Sadhana Chs, D-602, Plot No. 18 EFG, Sector 14, Navi Mumbai, Sanpada – 400705, Maharashtra, India, Email ID: ca.harisurya@gmail.com vide valuation report dated May 15, 2024 hereby certify that in terms of Supreme Court judgement in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited (1995)(83, Companies cases 30) considered the (i) Net Asset Value method (NAV) (ii) Price Earning Capacity Value (PECV) method and (ii) Market quotes for shares traded for the purposes of arriving at fair value of equity shares of the Target Company. As per valuation report, the Fair Value has been arrived at ₹ 4.65/-.

5. The Offer Price is higher than the highest of the amounts specified in the table in paragraph 4 above i.e. ₹ 10/- (Rupees Ten only) per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.

6. Market Price of the Target Company as on PA and the date immediately after PA date:

Sr. No.	Particulars	BSE#
1	Market Price of Target Company on the date immediately preceding PA, i.e. Tuesday, May 14, 2024	₹ 10.20/-
2	Market Price of Target Company as on date of PA, i.e. Wednesday, May 15, 2024	Not traded
3	Market Price of Target Company on the date immediately after PA, i.e. Thursday, May 16, 2024	Not traded

(www.bseindia.com)

#Closing Prices

No trading was executed on CSE.

- Based on the information available on the BSE website, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters in terms of Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted by the Acquirer, in consultation with the Manager, in the event of any corporate action(s) such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers, reduction of capital, etc. where the record date for effecting such corporate action(s) falls prior to the 3rd (third) Working Day before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- As on the date of this DLOF, there has been no revision in Offer Price or to this Offer. In case of any revision in the Offer Price, the Acquirer shall comply with Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations and other applicable provisions of the SEBI (SAST) Regulations.
- An upward revision in the Offer Price, if any, on account of competing offers or otherwise, may be undertaken by the Acquirer at any time prior to the commencement of the last 1 (one) working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increases to the escrow amounts; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE, CSE and the Target Company at its registered office of such revision. However, the Acquirer shall not acquire any Equity Shares after the 3rd (third) Working Day prior to the commencement of the Tendering Period of this Open Offer and until the expiry of the Tendering Period of this Open Offer.

B) FINANCIAL ARRANGEMENTS

- The Maximum Consideration for the Open Offer, assuming full acceptance, i.e. for the acquisition of up to 15,60,000 (Fifteen Lakh Sixty Thousand) Equity Shares, at the Offer Price of ₹ 10/- (Rupees Ten only) per Equity Share is ₹ 1,56,00,000/- (Rupees One Crore Fifty-Six Lakhs only) (“**Offer Consideration**”).
- In accordance Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirer has opened an escrow cash account bearing Account No: 000405157819 (“**Escrow Cash Account**”) with ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakli Circle, Old Padra Road, Vadodara, 390 007, Gujarat, India and acting through its branch situated at ICICI Bank Limited, Capital Markets Division, 5th Floor, HT Parekh Marg, Churchgate, Mumbai – 400020 (“**Escrow Agent**”) and have made a cash deposit of ₹ 1,56,00,000/- (Rupees One Crore Fifty Six Lakhs only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents 100% of the Offer Consideration (*assuming full acceptance*) payable to the Public Shareholders under this Offer. The cash deposit has been confirmed by the Escrow Agent by way of a confirmation letter dated May 17, 2024. Further, fixed deposits have been created against the aforesaid escrow amount and a lien has been marked in favour of the Manager to the Offer on the said fixed deposit.
- The Acquirer has confirmed that it has adequate financial resources to meet their obligations under the Open Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- Based on the above, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirer to fulfill its obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

5. The Acquirer has authorized the Manager to operate and realize the value of Escrow Account as per the provisions of the SEBI (SAST) Regulations.
6. In case of any upward revision in the Offer Price, a corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VIII. TERMS AND CONDITIONS OF THE OFFER

1. Operational Terms and Conditions:

- 1.1 The Offer is being made by the Acquirer to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 1.2 The Acquirer is making this Offer to all Public Shareholders to acquire up to 15,60,000 Equity Shares, constituting 26% of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the PA, DPS and the LOF.
- 1.3 In terms of the indicative schedule of major activities, the Tendering Period for the Offer shall commence on Wednesday, July 10, 2024, and close on Wednesday, July 24, 2024.
- 1.4 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialized form or physical form, in the Offer at any time during the Tendering Period. Subject to the receipt of the statutory or other approvals as specified in paragraph VIII (4) (*Statutory and Other Approvals*) of this DLOF, the Acquirer has up to 10 (ten) Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 1.5 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.
- 1.6 The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, are liable to be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 1.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 1.8 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size.
- 1.9 The Identified Date for this Offer as per the schedule of activities is Wednesday, June 26, 2024. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF would be sent. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 1.10 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected if directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 1.11 The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

2. Locked in Shares:

The Equity Shares of the Target Company are not subjected to lock in.

3. Eligibility for accepting the Offer

- 3.1 The Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) shall be mailed to all Eligible Shareholders/Beneficial Owners (except the Acquirer and the Sellers) whose names appear in register of Target Company as on Wednesday, June 26, 2024, the Identified Date.
- 3.2 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 i.e., the date falling on the 10th (tenth) Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Open Offer. No indemnity shall be required from unregistered shareholders.
- 3.3 The acceptance of this Offer by the Eligible Shareholders of Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 3.4 The acceptance of this Offer is entirely at the discretion of the Eligible Shareholder(s)/Beneficial owner(s) of Target Company.
- 3.5 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 3.6 The Acquirer reserve the right to revise the Offer Price upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price would be announced in the same newspapers where the DPS was published. The Acquirer 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 DPS and the Letter of Offer.
- 3.7 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

4. STATUTORY AND OTHER APPROVALS

- 4.1 As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no Statutory Approvals required by the Acquirer to complete the underlying transaction and this Open Offer. In case, if any Statutory Approval(s) are required or become applicable at a later date before the closure of the Tendering Period, this Open Offer shall be subject to the receipt of all such Statutory Approval(s). The Acquirer shall make the necessary applications for such Statutory Approvals.
- 4.2 In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirer, any statutory approvals required are not received or refused, then the Acquirer shall have the right to withdraw the Open Offer. In the event of withdrawal of this Offer, for reasons outside the reasonable control of the Acquirer, a Public Announcement will be made within 2 (two) working days of such withdrawal, in the same newspapers in which the DPS has been published and copy of such Public Announcement will also be sent to SEBI, Stock Exchanges and to the Target Company.
- 4.3 In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer or the failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the shareholders as directed by the SEBI, in terms of Regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- 4.4 The Acquirer shall complete all procedures relating to payment of consideration under this Open Offer within 10 (ten) Working Days from the date of closure of the Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

IX. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- As on the date of this DLOF, the Target Company has established connectivity with NSDL and is in the process of establishing connectivity with CDSL. It is important to note that the Equity Shares of the Target Company currently fall under the ‘P’ group, and the prevailing market lot is 100 Equity Shares. However, following the successful establishment of connectivity with CDSL, the market lot will be adjusted from 100 to 1 Equity Share. The procedure outlined below considers the market lot of 1 Equity Share.*
- All the Public Shareholders, holding the shares in dematerialized form or physical form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date and Offer Closing Date (“Tendering Period”) for this Open Offer. In accordance with the circular issued by SEBI bearing reference number SEBI/ HO/CFD/ CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.
- Shareholders who wish to offer their physical Equity Shares in the Offer are requested to send their original documents as will be mentioned in the LOF to the Registrar to the Offer so as to reach them no later than the Offer Closing Date. It is advisable to first email scanned copies of the original documents as will be mentioned in the LOF to the Registrar to the Offer and then send physical copies to the address of the Registrar to the Offer as will be provided in the LOF. The process for tendering the Offer Shares by the Public Shareholders holding physical Equity Shares will be separately enumerated in the LOF.
- Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
- The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by BSE Limited (BSE) in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations and Chapter 4 of the SEBI Master Circular.
- BSE shall be the Designated Stock Exchange for the purpose of tendering shares in the Open Offer.
- The Registrar to the Offer would be accepting the documents by Hand delivery/Registered Post/Speed Post/Courier at the following specified center:

Name and Address of the entities (registrar) to whom the shares should be sent including name of the contact person, telephone no., fax no. and email address etc.	Working days and timings	Mode of delivery
Cameo Corporate Services Limited Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel. No.: +91 44 4002 0700; Email id: priya@cameoindia.com Website: www.cameoindia.com Investor Grievance: investor@cameoindia.com SEBI Registration: INR000003753 Validity: Permanent Contact Person: Ms. Sreepriya K	Any working day (i.e., Monday to Friday and not being a bank holiday) between 10:30 a.m. to 5:00 p.m.	Hand Delivery/ Registered Post/Speed Post /Courier

- The Acquirer has appointed Choice Equity Broking Private Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and the settlement of the Open Offer shall be made during the tendering period. The contact details of the Buying Broker are as mentioned below:

Name	Choice Equity Broking Private Limited
Address	Sunil Patodia Tower, J B Nagar, Andheri (East), Mumbai-400099, Maharashtra, India;
Contact Person:	Mr. Jeetender Joshi (Senior Manager)
Telephone	022-67079832
E-mail id	jeetender.joshi@choiceindia.com
Website	www.choiceindia.com
Investor Grievance Email id	ig@choiceindia.com
SEBI Registration No.	INZ000160131

In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stockbroker, then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker viz. Choice Equity Broking Private Limited, to bid by using quick UCC facility.

9. The Equity Shareholders will have to ensure that they keep a Demat Account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
10. All the shareholders who desire to tender their Equity Shares under the Open Offer would have to intimate their respective stockbroker (“**Selling Broker**”) during the normal trading hours of the secondary market during the Tendering Period. Upon placing the bid, the Selling Broker(s) shall provide the Transaction Registration Slip (“**TRS**”) generated by the exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
11. A separate Acquisition Window will be provided by BSE to facilitate the placing of orders. The Selling Broker can enter orders for physical and dematerialised Equity Shares. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.
12. The cumulative quantity tendered shall be displayed on Designated Stock Exchange website (www.bseindia.com) throughout the trading session at specific intervals by Designated Stock Exchange during the Tendering Period.
13. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
14. The details of the settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Designated Stock Exchange / Clearing Corporation, before the Offer Opening Date.
15. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
16. Equity Shareholders who wish to bid /offer their physical shares in the Offer are requested to send their original documents as mentioned in the LOF to the Registrar to the Offer so as to reach them within 2 (Two) days from closure of the tendering period. It is advisable to email scanned copies of the original documents mentioned in the LOF, first to the Registrar to the Offer then send physical copies to the Registrar’s address as provided in the LOF.
17. Equity Shares should not be submitted / tendered to the Manager, the Acquirer, or the Target Company.

Procedure for tendering Equity Shares held in dematerialised form

1. Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

2. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant)
3. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker, that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. The Public Shareholder approaching BSE registered stock broker (with whom it does not have an account) may have to submit following details:

(i) In case of Shareholder being an individual

(a) If Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:

- i. Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
- ii. Know Your Client (KYC) form Documents required (all documents self-attested):
Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- i. CKYC form including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. KYC form Documents required (all documents self-attested):
PAN card copy
Address proof
Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder is HUF:

(a) If Shareholder is registered with KRA: Forms required:

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KYC form documents required (all documents self-attested):
Bank details (cancelled cheque)
- iii. Demat details (Demat Master /Latest Demat statement)

(b) If Shareholder is not registered with KRA: Forms required:

- i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
- ii. KRA form
- iii. Know Your Client (KYC) form Documents required (all documents self-attested):
PAN card copy of HUF & KARTA
Address proof of HUF & KARTA
HUF declaration
Bank details (cancelled cheque)
- iv. Demat details (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder other than Individual and HUF:

(a) If Shareholder is KRA registered: Form required

- i. Know Your Client (KYC) form Documents required (all documents certified true copy)
Bank details (cancelled cheque)
- ii. Demat details (Demat master /Latest Demat statement)
- iii. FATCA, IPV, OSV if applicable
- iv. Latest list of directors/authorized signatories/partners/trustees
- v. Latest shareholding pattern
- vi. Board resolution
- vii. Details of ultimate beneficial owner along with PAN card and address proof
- viii. Last 2 years financial statements

If Shareholder is not KRA registered: Forms required:

- i. KRA form
- ii. Know Your Client (KYC) form Documents required (all documents certified true copy):
PAN card copy of company/ firm/trust

- Address proof of company/ firm/trust
Bank details (cancelled cheque)
iii. Demat details (Demat Master /Latest Demat statement)
iv. FATCA, IPV, OSV if applicable
v. Latest list of directors/authorized signatories /partners/trustees vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees
vii. Latest shareholding pattern
viii. Board resolution/partnership declaration
ix. Details of ultimate beneficial owner along with PAN card and address proof
x. Last 2 years financial statements
xi. MOA/Partnership deed /trust deed

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

4. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Offer using the Acquisition Window of BSE. Before placing the order/bid, the Public Shareholder would be required to make early pay-in as per the mechanism prescribed by the BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker. As provided under the SEBI (SAST) Regulations and Chapter 4 of the SEBI Master Circular, a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the Public Shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the annexure to the said circular. All other procedures shall remain unchanged. The shareholders are advised to refer to the above circular of SEBI for placing of orders.
5. Upon placing the order, the Selling Broker shall provide TRS generated by the Stock Exchange bidding system to the holder of the Equity shares. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.
6. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the close of trading hours on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
7. Eligible Shareholders shall submit Delivery Instruction Slips (“DIS”) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.
8. The Eligible Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated Offer.
9. **The Eligible Shareholders holding Equity Shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement.** The Eligible Shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.
10. The details of the settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchange / Clearing Corporation, before the opening of the Offer.
11. 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.
12. Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
13. The reporting requirements for non-resident shareholders under Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Public Shareholder and/ or their Selling Broker.

Procedure for tendering Equity Shares held in Physical form

1. In accordance with the Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/ open offer/ exit offer/delisting” dated February 20, 2020, SEBI Circular no.

SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 and BSE notice no 20200528-32 dated 28 May 2020, shareholders holding securities in physical form are allowed to tender shares in open offer. However, such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The Eligible Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach Selling Broker and submit complete set of documents for verification procedure as mentioned below:

- a. Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company.
- b. Original share certificate(s).
- c. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place.
- d. Self-attested PAN Card copy (in case of Joint holders, PAN card copy of all transferors).
- e. Attestation of signature(s) of all the holder(s) by Bankers in form ISR-2 (can be downloaded online https://www.sebi.gov.in/sebi_data/commndocs/nov-2021/Form%20ISR-2_p.pdf)
- f. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature); and

In addition, if the address of the Eligible Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.

2. Based on these documents, the Selling Broker shall place the bid on behalf of the Eligible Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("**TRS**") generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
3. After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other required documents either by registered post / speed post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page within 2 (two) days of bidding by the Selling Broker and not later than 2 (two) days from the Offer Closing Date (by 5 PM IST). The envelope should be superscribed as "**FLORA TEXTILES LIMITED - OPEN OFFER.**" One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
4. Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirer shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as 'unconfirmed 'physical bids. Once the Registrar to the Offer confirms the orders it will be treated as 'confirmed bids. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days after the Offer Closing Date shall be liable to get rejected.
5. In case any person has submitted Equity Shares in physical form for dematerialization, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date i.e., Friday, July 26, 2024 or else their application will be rejected.
6. All documents mentioned above shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; (iii) If the Eligible Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company and/or form ISR2 is not submitted.

7. **Eligible Shareholders holding Equity Shares in physical mode will be required to fill the respective Forms of Acceptance cum Acknowledgment.** Eligible Shareholders holding Equity Shares in physical mode will be sent respective Form of Acceptance cum Acknowledgment along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance cum Acknowledgment.

Acceptance of Equity Shares

- a) Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- b) In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders 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 nonmarketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
- c) As provided under the SEBI (SAST) Regulations and Chapter 4 of the SEBI Master Circular, in consultation with Depositories, Clearing Corporations and Stock Exchange, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.
- d) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirer will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

Procedure for tendering the Equity Shares in case of non-receipt of this Draft Letter of Offer

1. Eligible Shareholders who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., Wednesday, June 26, 2024, 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.
2. **In case the Equity Shares are in dematerialised form:** An Eligible Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.
3. The LOF along with a Form of Acceptance, will be dispatched to all the Public Shareholders of the Target Company (through electronic mode or physical mode), whose names appear on the register of members of the Target Company and to the beneficial owners of the Target Company in dematerialized form or physical form whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date i.e., Wednesday, June 26, 2024 to the Offer.
4. **In case the Equity Shares are in Physical form:** An Eligible Persons may participate in the Offer by confirming their consent to participate in this Offer on the terms and conditions of this Offer as set out in the PA, DPS and the Letter of Offer. Equity Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in this Letter of Offer) should reach the Registrar of the Company within 2 (Two) days from the Closing Date.
5. **In case of non-receipt of the Letter of Offer, such Eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.** The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, (www.sebi.gov.in), and Eligible Shareholders can also apply by downloading such forms from the said website.
6. Alternatively, in case of non-receipt of the LOF, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all Shareholder(s), stating name, address, number of shares held, client identification number, depository participant name, depository participant identification number, number of shares tendered and other relevant documents as mentioned. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be

made available by the Stock Exchange before the closure of the Tendering Period. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.

Settlement Process

1. On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement based on Equity Shares transferred to the Clearing Corporation.
2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.
3. The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, in the event that the pay-outs are rejected by the Eligible Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Eligible Shareholders. The Eligible Shareholders will be required to independently settle fees, dues, statutory levies, or other charges (if any) with their Selling Brokers.
4. The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.
5. The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
6. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned to the Equity Shareholders directly by the Registrar.
7. The direct credit of Equity Shares will be given to the demat account of Acquirer as indicated by the Buying Broker.
8. 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.
9. Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
10. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.
11. In case of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will 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 Public Shareholders.
12. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

13. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
14. If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Eligible Shareholder.
15. Public 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 Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
16. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations.

NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE IT ACT (AS AMENDED BY FINANCE ACT, 2023) AND THE REGULATIONS THEREUNDER.

THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

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

THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

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

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

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES 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. THE LAW STATED BELOW IS AS PER THE IT ACT.

GENERAL

- a) As the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to STT. STT is 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 and sale of shares on the stock exchange is 0.1% of the value of security transacted.
- b) The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- c) A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

- d) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- e) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of GAAR and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- f) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- g) The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- h) The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out in the succeeding paras. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

Classification of Shareholders

Public Shareholders can be classified under the following categories:

Resident Shareholders being:

- 1. Individuals, Hindu Undivided Family ("HUF"), Association of Persons ("AOP") and Body of Individuals ("BOI")
- 2. Others
 - a. Company
 - b. Other than company

Non-Resident Shareholders being:

- 1. Non-Resident Indians ("NRIs")
- 2. Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
- 3. Others:
 - a. Company
 - b. Other than company

Classification of Shares:

Shares can be classified under the following two categories:

- a) Shares held as investment (Income from transfer of such shares taxable under the head "Capital Gains")
- b) Shares held as stock-in-trade (Income from transfer of such shares taxable under the head "Profits and Gains from Business or Profession"). As per the current provisions of the IT Act, unless specifically exempted, gains arising from the transfer of shares may be treated either as "Capital Gains" or as "Business Income" for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e., stock-in-trade). Shareholders may also refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (CBDT) in this regard.

Shares held as investment: As per the provisions of the IT Act, where the shares are held as investments (i.e., capital asset), income arising from the transfer of such shares is taxable under the head "Capital Gains".

Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.

Capital gains in the hands of shareholders would be computed as per provisions of section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

Period of holding: Depending on the period for which the shares are held, the gains would be taxable as “short-term capital gain/STCG” or “long-term capital gain/LTCG”:

- a) In respect of Equity Shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).
- b) Similarly, where Equity Shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

Tendering of Shares in the Offer through a Recognized Stock Exchange in India:

Where a transaction for transfer of such Equity Shares (i.e., acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to STT, then the taxability will be as under (for all categories of shareholders):

- a) As per the current provisions of the IT Act, under Section 112A of the IT Act, LTCG arising from transfer of Equity Shares exceeding one lakh rupees will be taxed at a rate of 10 percent without allowing benefit of indexation for resident shareholders and at a rate of 10 percent without allowing benefit of indexation and foreign exchange fluctuation for non-resident shareholders, provided the same has been subjected to STT, upon acquisition and sale.

If no STT is paid on acquisition, then mode of such acquisition should be exempted under the notification issued by CBDT vide Notification No. 60/2018 dated October 1, 2018 in order to get benefit of taxation at 10% under Section 112A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.

- b) LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018 as per Section 55 of IT Act.

For computing capital gains under the grandfathering regime, the cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.

- c) LTCG, as computed u/s. 112A, will not be liable to tax to the extent not exceeding ₹ 1,00,000 (Rupees One lakh only).
- d) Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the Equity Shares):
 - i. LTCG will be chargeable to tax at the rate of 20% (plus applicable surcharge and health and education cess) or 10% (plus applicable surcharge and health and education cess) without allowing benefit of indexation, in the case of a non-resident Public Shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
 - ii. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).
 - iii. For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost shall not be available.
 - iv. For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation. 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.

- v. Long term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- e) As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 15% under section 111A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- f) In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.
- g) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
- h) As per Section 70 of the IT Act, short term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- i) Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the IT Act.
- j) As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

Investment Funds

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

Mutual Funds

Under Section 10(23D) of the IT Act, any income of mutual funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorised by the Reserve Bank of India and subject to the conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

Shares held as Stock-in-Trade:

a) If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains from Business or Profession."

b) Resident Shareholders

Profits of:

- i. Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
- ii. Domestic companies having turnover or gross receipts not exceeding ₹ 400 crores in the relevant financial year as prescribed will be taxable @ 25%.
- iii. Domestic companies which have opted for concessional tax regime under Section 115BAA will be taxable at 22%.
- iv. For persons other than stated above, profits will be taxable @ 30%.
- v. No benefit of indexation by virtue of period of holding will be available in any case

c) Non-Resident Shareholders: Non-resident shareholders can avail beneficial provisions of the applicable DTAA, read with the MLI, entered into between India and the respective country of which the said shareholder is tax

resident, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

- d) Where DTAA provisions are not applicable: i. No benefit of indexation by virtue of period of holding will be available in any case.
ii. For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
iii. For foreign companies, profits would be taxed in India @ 40%.
iv. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

In addition to the above, surcharge and health and education cess are leviable for resident and non-resident shareholders.

e) **Other Matters:** Further, the provisions of Minimum Alternate Tax on the book profits as contained in Section 115JB of the IT Act or Alternate Minimum Tax contained in Section 115JC of the IT Act, as the case may be, also need to be considered by the shareholders (other than resident company which has opted for concessional tax regime under Section 115BAA or Section 115BAB of the IT Act). Foreign companies will not be subject to MAT if the country of residence of such of the foreign country has entered into a DTAA with India under Sections 90/90A of the IT Act and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.

Tax Deduction at Source

a) Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.

b) Non-Resident Shareholders:

i. In case of FIIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs, subject to fulfilment of the following conditions:

- FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
- FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act ("TDC"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.

ii. In case of non-resident tax payer (other than FIIs):

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA and MLI, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

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

Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirer believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important

for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate. The non-resident shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer is entitled to be indemnified. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

Remittance/Payment of Interest:

a) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

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

Rate of Surcharge and Cess:

As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable. Summary of the same is provided below:

Surcharge:

i. In case of domestic companies:

Surcharge @ 12% is leviable where the total income exceeds ₹ 10 crore and @ 7% where the total income exceeds ₹ 1 crore but less than ₹ 10 crore for companies not opting for tax regime u/s. 115BAA and 115BAB.

In case of domestic companies which are liable to pay tax under section 115BAA or section 115BAB: Surcharge @ 10% is leviable

ii. In case of companies other than domestic companies:

Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores.

Surcharge @ 2% where the total income exceeds ₹ 1 crore but less than ₹ 10 crores

iii. In case of individuals, HUF, AOP, BOI:

Surcharge at the rate of 10% is leviable where the total income exceeds ₹ 50 lakhs but does not exceed ₹ 1 crore.

Surcharge at the rate of 15% is leviable where the total income exceeds ₹ 1 crore but does not exceed ₹ 2 crores.

Surcharge at the rate of 25% is leviable where the total income exceeds ₹ 2 crores but does not exceed ₹ 5 crores.

Surcharge at the rate of 37% is leviable where the total income exceeds ₹ 5 crores.

However, for the purpose of income chargeable under section 111A, 112, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.

In case of Firm and Local Authority: Surcharge @12% is leviable where the total income exceeds ₹ 1 crore.

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

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN.

HENCE, SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

Note: The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the office of the Manager to the Offer at 605, 6th Floor, Centre Point, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059 and also electronically (as mentioned below) on any working day (i.e., Monday to Friday and not being a bank holiday in Mumbai) between 10:30 a.m. to 1:00 p.m. from the date of opening of the Offer until the closure of this Offer.

The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line “Documents for Inspection - Flora Textiles Limited Open Offer”, to the Manager to the Open Offer at openoffers@saffronadvisor.com and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

1. Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.
2. Certificate dated May 15, 2024, issued by Vivek Gupta, Chartered Accountant (Membership No. 432103), having office at 202, Anurag Residency, Dasrahalli Main Road, Bangalore, Karnataka – 560024; Email id: cavivek2848@gmail.com bearing Unique Document Identification Number (UDIN) – 24432103BKEMVJ7845 certifying the Networth of the Acquirer.
3. Audited Annual reports of the Target Company for the financial year ended March 31, 2023, March 31, 2022, and March 31, 2021.
4. Audited Financials of Target Company for the financial year ended March 31, 2024, March 31, 2023, and March 31, 2022.
5. Audited consolidated financial statements of the Acquirer for the financial year ended March 31, 2023, March 31, 2022 and March 31, 2021 and unaudited consolidated financial statements for the Nine months period ended December 31, 2023.
6. Copy of Escrow Agreement dated May 15, 2024, between the Acquirer, Manager to the Offer and Escrow Bank.
7. Copy of letter from the Escrow Bank, confirming the amount kept in the Escrow Account and a lien in favor of the Manager to the Offer.
8. Copy of Share Purchase Agreement dated May 15, 2024, executed between the Acquirer, Sellers and the Target Company which triggered the Open Offer.
9. Copy of Public Announcement dated May 15, 2024, and published copy of the Detailed Public Statement dated May 24, 2024.
10. A copy of the recommendation made by the Committee of Independent Directors (IDC) of the Target Company.
11. Observation letter bearing reference number [●] dated [●] received from SEBI.

X. DECLARATION BY THE ACQUIRER

1. The Acquirer and the directors of Acquirer, in their capacity as directors, accept the full and final responsibility for the information contained in the PA, DPS and this DLOF also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer.
2. All the information pertaining to the Target Company and/or the Sellers contained in the PA, DPS, DLOF 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 or the Sellers, as the case may be, or publicly available sources. The Acquirer and the Manager to the Open Offer have not been independently verified such information and do not accept any responsibility with respect to information provided in the PA, DPS, DLOF and/or the Letter of Offer pertaining to the Target Company and / or the Sellers.
3. The persons signing this Draft Letter of Offer, on behalf of Acquirer, are duly and legally authorized by Acquirer to sign this Draft Letter of Offer.
4. The Acquirer and the directors of Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for its obligations as laid down in the SEBI (SAST) Regulations.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRER

Signed for and on behalf of Oilmax Energy Private Limited
Sd/- Authorized Signatory

Place: Mumbai

Date: May 30, 2024