

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 shareholder(s) of Tejavsvi Aaharam Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stock broker or an investment consultant or the Manager to the Offer (as defined herein below) or the Registrar to the Offer (as defined herein below). In the event you have recently sold your Equity Shares in the Target Company, please hand over the Letter of Offer to the purchaser of the Equity Shares or the member of the stock exchange through whom the said sale was effected.

OPEN OFFER BY

MR. JOHN AMIRTHARAJ HENRY (“Acquirer 1”)

Residing: Plot No. 38, Agni Fairy Land, ICL Home Town extension, Thundalam, Chennai – 600 077;

Email id: prjohnhenry@yahoo.com; **Tel. No.:** +91 9841422744; **Fax No.:** NA

MR. G. BAKTHAVATSALU (“Acquirer 2”)

Residing: No.26, R.K.Mutt Road, Mylapore, Chennai – 600 004; **Email id:** sai_associates@yahoo.com; **Tel. No.:** +91 9790044334;

Fax No.: NA

To the Eligible Shareholder(s)

of

Tejavsvi Aaharam Limited (“Target Company”)

Registered Office: New No. 31, 1st Floor, Lazarus Church Road, R.A Puram, Chennai, Tamil Nadu, 600028, India.

Tel. No.: +91 44 48573911; **Email:** taltdchennai@gmail.com; **Website:** www.talchennai.in

Corporate Identification Number: L15549TN1994PLC028672

to acquire upto **23,80,000** (Twenty Three Lakhs Eighty Thousand only) fully paid Equity Shares of face value ₹ **10/-** each (“**Offer Shares**”) representing **34%** (Thirty Four per cent) of the fully paid-up equity share capital and voting capital of the Target Company on a fully diluted basis, as of the tenth working day from the closure of the tendering period of the open offer, for cash at a price of ₹ **0.55** (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per equity share (“**Offer Price**”).

Please Note:

1. This Offer is being made by the Acquirers pursuant to Regulations 3(1) and 4 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 Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. **There has been no competing offer as on the date of this Draft Letter of Offer.**
5. To the best of the knowledge of the Acquirers, as on the date of this Draft Letter of Offer, there are no statutory approvals required for the purpose of implementing this Offer. If any statutory approvals become applicable prior to the completion of the Offer, the Offer would also be subject to such statutory approvals.
6. If there is any upward revision in the Offer Price and/or Offer Size by the Acquirers, at any time upto 1 (one) working day prior to the commencement of the Tendering Period i.e. Thursday, December 31, 2020 the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the Detailed Public Statement was published.
7. A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer are also available on SEBI’s website: 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:

 SAFFRON CAPITAL ADVISORS PRIVATE LIMITED 605, Sixth Floor, Centre Point, J.B. Nagar, Andheri (East), Mumbai - 400 059, India; Tel. No.: +91 22 4082 0914/915; Fax No.: +91 22 4082 0999; Email id: openoffers@saffronadvisor.com ; Website: www.saffronadvisor.com ; Investor grievance: investorgrievance@saffronadvisor.com ; SEBI Registration Number: INM 000011211; Validity: Permanent Contact Person: Mr. Amit Wagle/Mr. Gaurav Khandelwal	 Cameo Corporate Services Limited “Subramanian Building”, No.1, Club House Road, Chennai – 600 002, Tamil Nadu, India Tel: +91 44 4002 0700; Fax: +91 44 2846 0129 Email: investor@cameoindia.com Website: www.cameoindia.com SEBI Registration: INR000003753 Validity: Permanent Contact Person: Ms. Sreepriya. K
OFFER OPEN ON: [●]	OFFER CLOSES ON: [●]

SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Activity	Day and Date
Public Announcement (PA)	Friday, November 06, 2020
Publication of DPS in the newspapers	Friday, November 13, 2020
Filing of the draft letter of offer with SEBI	Monday, November 23, 2020
Last date for a competitive bid	Tuesday, December 08, 2020
Last date for SEBI observations on draft letter of offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	Tuesday, December 15, 2020
Identified Date*	Thursday, December 17, 2020
Letter of Offer to be dispatched to Eligible Shareholders	Thursday, December 24, 2020
Last date for revising the Offer price/ number of shares	Thursday, December 31, 2020
Last Date by which the committee of the independent directors of the Target Company shall give its recommendation	Wednesday, December 30, 2020
Date of publication of Offer Opening Public Announcement	Thursday, December 31, 2020
Date of commencement of Tendering Period (Offer Opening Date)	Friday, January 01, 2021
Date of Expiry of Tendering Period (Offer Closing Date)	Thursday, January 14, 2021
Last Date for completion of all requirements including payment of consideration	Friday, January 29, 2021

** Identified Date is only for the purpose of determining the Equity Shareholders of the Target Company as on such date to whom the Letter of Offer would be sent by Email / Post. It is clarified that all the shareholders holding Equity Shares of the Target Company (registered or unregistered) (except the Acquirers and Promoter and Promoter group of the Target Company) are eligible to participate in this Offer any time before the closure of this Offer.*

RISK FACTORS

I. RISK FACTORS RELATING TO THE TRANSACTION

- As of the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no statutory approvals required by the Acquirers to complete this Offer. However, in case of any such statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers 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 willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Open Offer, subject to the Acquirers 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 Acquirers 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 delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
- In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, if the conditions precedent and other conditions as stated in paragraph VII (B) are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers 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.
- If at a later date, any other statutory or regulatory or other approvals / no objections are required, the Open Offer would become subject to receipt of such other statutory or regulatory or other approvals / no objections.

II. RISKS RELATING TO THE OFFER

- This Open Offer is an offer to acquire not more than 34% of the fully paid-up equity share capital and voting capital of the Target Company from the Eligible Shareholders. In case Equity Shares tendered in the Open Offer by the Eligible Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Eligible Shareholders in the Open Offer will be accepted.
- 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 Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers 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 Acquirers 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 willful default or negligence on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers agreeing to pay interest to the validly tendering Shareholders.
- The Equity Shares tendered in the Offer and documents will be held in the special account of the Clearing Corporation on behalf of Eligible Shareholders till the process of acceptance of tenders and the payment of consideration is completed. The Shareholders will not be able to trade in such Equity Shares during such period. During such period, there may be fluctuations in the market price of the Equity Shares. The Acquirers make no assurance with respect to the market price of the Equity Shares both during the period that the Offer is open and upon completion of the Offer and disclaims any responsibility with respect to any decision by the Eligible Shareholders on whether or not to participate in the Offer.
- The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Draft Letter of Offer / Detailed Public Statement / Public Announcement and anyone placing reliance on any other source of information (not released by the Acquirers, or the Manager to the Offer) would be doing so at his/her/their own risk.

- Eligible Shareholders should note that the shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptances during the Tendering Period even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
- 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 Acquirers 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 Eligible Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers and 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.
- This Offer is subject to completion risks as would be applicable to similar transactions.

III. Risks relating to Acquirers and the Target Company

- Acquirers make no assurance with respect to the continuation of the past trend in the financial performance of the Target Company and make no assurance with respect to the future performance of the Target Company.
- The Acquirers 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 Acquirers 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.

The risk factors set forth above are limited to the Offer and not intended to cover a complete analysis of all risks as perceived in relation to the Offer or in association with the Acquirers, 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 Eligible 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

Acquirer 1	Mr. John Amirtharaj Henry residing at Plot No. 38, Agni Fairy Land, ICL Home Town extension, Thundalam, Chennai – 600 077.
Acquirer 2	Mr. G. Bakthavatsalu residing at No.26, R.K.Mutt Road, Mylapore, Chennai – 600 004.
Acquirers	Acquirer 1 and Acquirer 2 collectively referred to as Acquirers
Board of Directors	Board of Directors of the Target company
BSE	BSE Limited
Buying Broker	Stock broker appointed by Acquirers for the purpose of this Open Offer i.e. Choice Stock Broking Private 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.
Depositories	NSDL
Detailed Public Statement/ DPS	Detailed Public Statement dated November 09, 2020 issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express (English), Jansatta (Hindi), Navshakti (Marathi) and Makkal Kural (Tamil) on November 10, 2020, 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 November 10, 2020
Eligible Shareholders / Public Shareholders	All owners (registered or unregistered) of Equity Shares of the Target Company (except Acquirers and Promoter and Promoter Group members of the Target Company) are eligible to participate in the Offer any time before the closure of the Offer
EPS	Earnings Per Share calculated as Profit after tax divided by Number of equity shares issued
Equity Share(s)/ Share(s)	The fully paid up equity share(s) of the Target Company having a face value of ₹ 10 (Rupees Ten) per equity share
Equity Share Capital	The Issued, Subscribed and Paid Up Equity Share Capital of the Target Company is ₹ 7,00,00,000 comprising of 70,00,000 Equity Shares of face value ₹ 10 each of the Target Company as on the date of this Draft Letter of Offer
Escrow Agreement	Escrow Agreement dated October 19, 2020 entered between the Acquirers, Escrow Agent and Manager to the Offer
Escrow Bank / Escrow Agent	ICICI Bank Limited
FEMA	The Foreign Exchange Management Act, 1999, as amended or modified from time to time
FII(s)	Foreign Institutional Investor(s), as defined under Section 115AD of the Income Tax Act, 1961 which includes sub-accounts of FIIs and if any Foreign Institutional Investor(s) have been reorganized as Foreign Portfolio Investors, such Foreign Portfolio Investors
Identified Date	Thursday, December 17, 2020 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	Saffron Capital Advisors Private Limited
NRI	Non-Resident Indian as defined in Foreign Exchange Management (Deposit) Regulations, 2000, as amended.
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Body, as defined under the Foreign Exchange

	Management (Deposit) Regulations, 2000.
Offer/Open Offer	23,80,000 (Twenty Three Lakhs Eighty Thousand only) fully paid-up equity share of face value of ₹ 10/- each representing 34% of fully paid-up equity share capital and voting capital of the Target Company at a price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per Equity Share payable in cash.
Offer Consideration	The maximum consideration payable under this Offer, assuming full acceptance, is ₹ 13,09,000/- (Rupees Thirteen Lakhs Nine Thousand only)
Offer Period	Period commencing from Friday, November 6, 2020 till the date on which the payment of consideration to the Public Shareholders who have accepted the Offer is made, or the date on which Offer is withdrawn, as the case may be.
Offer Price	₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per Equity Share.
Offer Size / Offer Shares	23,80,000 (Twenty Three Lakhs Eighty Thousand only) fully paid-up equity share of face value of ₹ 10/- each representing 34% of fully paid-up equity share capital and voting capital of the Target Company.
Public Announcement/PA	Public Announcement of the Open Offer made by the Manager to the Offer on behalf of the Acquirers on November 06, 2020 in accordance with SEBI (SAST) Regulations.
Preference Share Capital	Preference Share Capital is ₹ 14,78,66,000 comprising of 14,78,660 Non Convertible Non Cumulative Redeemable Preference Shares of ₹ 100 each.
Promoter and Promoter Group	Shall mean (i) K.S.Venugopala, (ii) Vinodh Venugopal, (iii) Shyam Venugopal, (iv) Manoj Venugopal, (v) V. Dhanalakshmi, (vi) V. Gowripriya, (vii) S. Kousalya, (viii) Surekha Shyam Venugopal and (ix) Gopuram Enterprises Limited (Formerly Savorit Limited)
RBI	Reserve Bank of India
Registrar to the Offer	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 (i) K.S.Venugopala, (ii) Vinodh Venugopal, (iii) Shyam Venugopal, (iv) Manoj Venugopal, (v) V. Dhanalakshmi, (vi) V. Gowripriya, (vii) Surekha Shyam Venugopal and (viii) Gopuram Enterprises Limited (Formerly Savorit Limited)
Selling Broker	Respective stock brokers of all Eligible Shareholders who desire to tender their Shares under the Open Offer
Stock Exchange	BSE Limited
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto.
SPA	Share Purchase Agreement dated November 06, 2020, executed between, the Acquirers and the Sellers to acquire 25,31,160 Equity Shares (“SPA Shares”) representing 36.16% of fully paid-up equity share capital and voting capital of the Target Company at a price of ₹ 0.34 (Paise Thirty Four only) per Equity Share aggregating to ₹ 8,59,741/- (Rupees Eight Lakhs Fifty Nine Thousand Seven Hundred Forty One only).
Target Company	Tejassvi Aaharam Limited having its registered office at New No. 31, 1st Floor, Lazarus Church Road, R.A Puram, Chennai, Tamil

	Nadu, 600028
<i>Tendering Period</i>	Friday, January 01, 2021 to Thursday, January 14, 2021
<i>Working Day</i>	Working days of SEBI

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 TEJASSVI AAHARAM LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 ACQUIRERS 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, SAFFRON CAPITAL ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 10, 2020 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 ACQUIRERS 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. This Open Offer is being made pursuant to the SPA in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of a direct substantial acquisition of Equity Shares and voting rights of the Target Company by the Acquirers.
2. On November 06, 2020, the Acquirers have entered into a SPA with Sellers to acquire 25,28,650 (Twenty Five Lakhs Twenty Eight Thousand Six Hundred and Fifty) Equity Shares (“SPA Shares”) representing 36.12% of fully paid-up equity share capital and voting capital of the Target Company, at a price of ₹ 0.34 (Paise Thirty Four only) per Equity Share of the Target Company aggregating to ₹ 8,59,741/- (Rupees Eight Lakhs Fifty Nine Thousand Seven Hundred Forty One only) payable in cash as below:

Salient features of SPA:

- In the event of non-compliance of any provisions of the SEBI (SAST) Regulations, the SPA shall not be acted upon by the SPA Sellers or Acquirers.
 - Subject to shareholders approval, the Sellers shall, post completion of takeover formalities, relinquish the management control in favour of the Acquirers
 - For some of the above terms more specifically defined in the SPA and other details of SPA, Public Shareholders of the Target Company may refer SPA, which would be available to them for inspection during the Tendering Period at the office of the Manager to the Offer.
3. The Committee of Independent Directors on the Board of the Target Company, will come out with their recommendations for the Offer and the same shall be published in the newspapers where the Detailed Public Statement appeared latest by Wednesday, December 30, 2020.
 4. Acquirers propose to acquire management control pursuant through this Open Offer.
 5. The Offer is not a result of global acquisition resulting in indirect acquisition of Equity Shares of the Target Company.

B) Details of the proposed Offer:

1. The Public Announcement announcing the Open offer, under Regulations 3(1) and 4 was made on Friday, November 06, 2020 to BSE and a copy thereof was also filed with SEBI and sent to the Target Company at its registered office on Friday, November 06, 2020.
2. The Acquirers have published the DPS on November 10, 2020 which appeared in the following newspapers:

<i>Sr. No.</i>	<i>Newspapers</i>	<i>Language</i>	<i>Editions</i>
1	Financial Express	English	Nation wide
2	Jansatta	Hindi	Nation wide
3	Navshakti	Marathi	Regional
4	Makkal Kural	Tamil	Registered Office

A copy of the DPS is also available on the SEBI’s website: www.sebi.gov.in. 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; and (iii) the registered office of the Target Company on November 10, 2020.

3. The Acquirers have deposited 100% of the total consideration payable to the Public Shareholders under this Offer in compliance with the Regulation 22(2) of the SEBI (SAST) Regulations. Accordingly, the Acquirers intend to acquire the SPA Shares and also obtain management control in the Target Company subsequent to expiry of twenty one working days from the date of the DPS. Further, in accordance with Regulation 24(1) of the SEBI (SAST) Regulations, the Acquirers may

make changes to the current board of directors of the Target Company by appointing either themselves and/or their nominees to represent them.

4. This Open Offer is being made to all the equity shareholders of Target Company other than Acquirers and members of Promoter and Promoter Group of the Target Company to acquire up to 23,80,000 (Twenty Three Lakhs Eighty Thousand only) fully paid Equity Shares of the Target Company, of face value ₹ 10 each (“**Offer Shares**”) representing 34% (Thirty Four per cent) of fully paid-up equity share capital and voting capital of the Target Company, at a price of ₹ 0.55 per share (including interest of 0.05 paise per share) (“**Offer Price**”), aggregating to ₹ 13,09,000/- (Rupees Thirteen Lakhs Nine Thousand only), (“**Open Offer**”).
5. The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
6. There are no partly paid-up Equity Shares in the Target Company.
7. 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 DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations.
8. There is no differential pricing for this Offer.
9. There are no conditions as stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.
10. The Equity Shares of the Target Company will be acquired by the Acquirers under the Offer as fully paid up, free from all lien, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
11. To the best of the knowledge and belief of the Acquirers, as on the date of this Draft Letter of Offer, there are no statutory or other approvals required to implement the Offer other than as indicated in section VII of this Draft Letter of Offer. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
12. 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 Draft Letter of Offer. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.
13. The Acquirers do 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 two years except in the ordinary course of business. The Target Company’s future policy for disposal of its assets, if any, within 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.
14. To the extent the post offer holding of the Acquirers exceeds the maximum permissible non-public shareholding in terms of Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“**SEBI LODR Regulations**”) read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (“**SCRR**”), the Acquirers undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.

15. If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
16. The Acquirers have not acquired any Equity Shares of the Target Company after the date of PA, i.e. November 06, 2020 and upto the date of this DLOF.

IV. OBJECT OF THE ACQUISITION/ OFFER

1. The primary objective of the Acquirers for the above mentioned acquisition is substantial acquisition of shares and voting rights in the Target Company along with the management control of the Target Company.
2. The Acquirers do 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 two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within 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 ACQUIRERS

1. INFORMATION ABOUT THE ACQUIRER 1:

- 1.1 Acquirer 1, aged 55 years, s/o Mr. Henry is residing at Plot No. 38, Agni Fairy Land, ICL Home Town extension, Thundalam, Chennai – 600 077.
- 1.2 Acquirer 1 has completed his Masters of Arts from University of Madras.
- 1.3 Acquirer 1 does not belong to any Group and is not related to the members of Promoter and Promoter Group of the Target Company.
- 1.4 The networth of Acquirer 1 as on August 31, 2020 is ₹ 185.96 Lacs only (Rupees One Crore Eighty Five Lacs and Ninety Six Thousand only) and the same is certified by K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*), Firm Registration No.: (*04912S*), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com; *vide* certificate dated October 20, 2020.
- 1.5 Acquirer 1 Presently working as Church Pastor since 2012. He is also a trustee in the Shepherd's Voice Tabernacle Trust since 2014. (*Sources: As per letter dated November 11, 2020 from the Acquirer 1*)
- 1.6 Acquirer 1 is not a whole time director in any company.
- 1.7 Acquirer 1 does not hold any positions on the board of directors of any listed company.
- 1.8 Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (“**SEBI Act**”) or under any other Regulation made under the SEBI Act.
- 1.9 Acquirer 1 confirms that he is not categorized as a “willful defaulter” in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.
- 1.10 Acquirer 1 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 1.11 Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.
- 1.12 Acquirer 1 is not related to Acquirer 2.
- 1.13 Acquirer 1 does not hold/never held any equity shares of the Target Company. Hence compliance with SEBI (SAST) Regulations is not applicable.

2. INFORMATION ABOUT THE ACQUIRER 2:

- 2.1 Acquirer 2, aged 55 years, s/o Mr. Subbarayalu Govindarajulu is residing at No.26, R.K.Mutt Road, Mylapore, Chennai – 600 004.
- 2.2 Acquirer 2 has completed his B.Tech (Textiles) from Anna University, Chennai.
- 2.3 Acquirer 2 doesn't belong to any Group and is not related to the members of Promoter and Promoter Group of the Target Company.
- 2.4 The networth of Acquirer 2 as on October 09, 2020 is ₹79.11 Lacs only (Rupees Seventy Nine Lacs and Eleven Thousand only) and the same is certified by K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.013438*), Firm Registration No.: (*04912S*), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com; *vide* certificate dated November 03, 2020.

- 2.5 Acquirer 2 is working as Managing Director of Ramnad District Co-operative Spinning Mill in Government of Tamilnadu Department of Handlooms and Textiles since 2018. (Sources: As per letter dated November 11, 2020 from the Acquirer 2)
- 2.6 Acquirer 2 does not hold any positions on the board of directors of any listed company.
- 2.7 Acquirer 2 is not related to Acquirer 1.
- 2.8 Acquirer 2 confirms that he is not categorized as a “willful defaulter” in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- 2.9 Acquirer 2 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended (“SEBI Act”) or under any other Regulation made under the SEBI Act.
- 2.10 Acquirer 2 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 2.11 Acquirer 2 confirms that there are no pending litigations pertaining to securities market where he is made party to.
- 2.12 Acquirer 2 does not hold/never held any equity shares of the Target Company. Hence compliance with SEBI (SAST) Regulations is not applicable.

3. Details of Equity Shareholding of the Acquirers in the Target Company:

Details	Acquirer 1	Acquirer 2
	Number of Equity Shares and (%)	Number of Equity Shares and (%)
Shareholding as on the PA date	NIL	NIL
Equity Shares acquired through SPA	25,28,650 (36.12%)	
Shares acquired between the PA date and the DPS date	NIL	NIL
Equity Shares proposed to be acquired in the Offer (assuming full acceptance)	23,80,000 (34.00%)	
Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period	49,08,650 (70.12%)	

VI. BACKGROUND OF THE TARGET COMPANY

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

1. The Target Company was incorporated on September 20, 1994 under the Companies Act 1956 as “*Sterling Spinners Limited*” vide Certificate of Incorporation issued by Registrar of Companies, Tamil Nadu. The name of the Target Company was changed to “*Tejassvi Aaharam Limited*” and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 16, 2015 by Registrar of Companies, Chennai, Tamil Nadu. The Company Identification Number of the Target Company is L15549TN1994PLC028672.
2. The Registered Office of the Target Company is situated at New No. 31, 1st Floor, Lazarus Church Road, R.A Puram, Chennai, Tamil Nadu, 600028; Email: taltdchennai@gmail.com; Website: www.talchennai.in.
3. The Equity Shares of Target Company are currently listed on BSE only having Scrip Code 531628. The ISIN of Equity Shares of Target Company is INE173E01019. *(Source: www.bseindia.com)*
4. There are no Equity Shares of the Target Company that are issued, allotted, but not listed on the Stock Exchanges.
5. The objects of the Target Company as per its Memorandum of Association include:
 - *To manufacture, process, prepare, preserve, can, refine, pack, bottle, buy, sell and act as a wholesalers, retailers, exporters, importers, principals and agents in food, processed foods, proteins, health foods, instant and fast foods of all kinds, spices, masalas, pickles, cereals, all forms of organic, inorganic foods and multi grains, fresh juices, squashes, ready to cook, ready to eat, pasta products and consumable provisions of every description for human consumption.*
 - *To purchase, produce, refine, prepare, import, export, sell and generally deal in wheat and all its bye-products, rice, pulses, grams, maize, barley, millets and all bye-products thereof and food products generally and in connection therewith, to acquire, contract hold and operate flour mills, hulling mills, Pasta manufacturing units and other food manufacturing and processing units, other mills and other works.*
 - *To carry on the business of Manufacturer, processors, producers, makers, importers, exporters, fabricators, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries of and dealers in biscuits, cookies, bread and other bakery products, confectioneries, sweet-meats etc.*
6. The Target Company was engaged in the business of spinning mills. Presently there is no business activity in the Target Company.
7. The Authorized Share Capital of the Target Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores) comprising of 1,00,00,000 Equity Shares of face value ₹ 10 each and 15,00,000 Non Convertible Non Cumulative Preference Shares of face value ₹ 100 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 21,78,66,000 (Rupees Twenty One Crores Seventy Eight Lakhs and Sixty Six Thousand) comprising of 70,00,000 Equity Shares of face value ₹ 10 each and 14,78,660 Non Convertible Non Cumulative Preference Shares of face value ₹ 100 each.
8. As on the date of this Draft Letter of Offer, there are no outstanding partly paid up shares of the Target Company and there are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage.
9. The Equity Shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations. *(Source: www.bseindia.com)*.

10. The trading in equity shares of the Target Company was suspended on account of non-compliance with various provisions of the erstwhile Listing Agreement. The said suspension was revoked w.e.f October 5, 2012. There have been instances of delay in compliance with various regulations of SEBI LODR Regulations and penalties have been levied against the Target Company by BSE.
11. No merger / demerger / spin off have taken place in the Target Company during the last three years.
12. **The share capital structure of the Target Company as of the date of this Draft Letter of Offer is:**

a. Equity Share Capital

<i>Issued and Paid-up Equity Share of Target Company</i>	<i>Pre – Open Offer</i>		<i>Post – Open Offer</i>	
	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>	<i>Number of Equity Shares /Voting Rights</i>	<i>% of Equity Shares/Voting Rights</i>
Fully paid-up Equity Shares	70,00,000	100.00	70,00,000	100.00
Partly paid-up Equity Shares	NIL	NIL	NIL	NIL
Total paid-up Equity Shares	70,00,000	100.00	70,00,000	100.00
Total Voting Rights in Target Company	70,00,000	100.00	70,00,000	100.00

b. Preference Share Capital (Non Convertible Non Cumulative Preference Shares)

<i>Issued and Paid-up NCPS of Target Company</i>	<i>Pre – Open Offer</i>		<i>Post – Open Offer</i>	
	<i>Number of NCPS</i>	<i>% of NCPS</i>	<i>Number of NCPS</i>	<i>% of NCPS</i>
Fully paid-up NCPS	14,78,660	100.00	14,78,660	100.00
Partly paid-up NCPS	NIL	NIL	NIL	NIL
Total paid-up NCPS	14,78,660	100.00	14,78,660	100.00
Total Voting Rights in Target Company	NIL	NIL	NIL	NIL

13. As on the date of this Draft Letter of Offer, the composition of the Board of Directors of the Target Company is as follows:

Name of the Director	Whether Executive/ Independent	Address	DIN	Date of Appointment/ Re-appointment
K S Venugopala	Managing Director	Flat 9D, Tower IIIB, Rani Meyyammai Towers R.A.Puram, Chennai 600028, Tamil Nadu, India	00707454	01.01.2019
K Alagiriswami	Independent Director	70, 4th Main Road, Gandhi Nagar, Adyar, Chennai 600020, Tamil Nadu, India	02524423	29.09.2019
Vijaykumar Ramachandran	Independent Director	1319, Lohith I Block, 18th Main Road, Anna Nagar West, Chennai 600040, Tamilnadu, India	02532145	29.09.2019
Surekha Shyam Venugopal	Non- Executive Director	Plot 29, Sree Adhavan Nagar, Dinigul - Trichy NH45 Road, Seelapadi, Dindigul 624005, Tamil Nadu, India	07116042	01.10.2019

(Source: www.mca.gov.in)

14. Acquirers do not have any representatives on the Board of Directors of the Target Company as on the date of this Draft Letter of Offer. The Acquirers have deposited 100% of the total consideration payable to the Public Shareholders under this Offer in compliance with the Regulation 22(2) of the SEBI (SAST) Regulations. Accordingly, the Acquirers intend to acquire the SPA Shares and also obtain management control in the Target Company subsequent to expiry of twenty one working days from the date of the DPS. Further, in accordance with Regulation 24(1) of the SEBI (SAST) Regulations, the Acquirers may make changes to the current board of directors of the Target Company by appointing either themselves and/or their nominees to represent them.
15. The key financial information of the Target Company based on the unaudited limited reviewed financial results for the period ended September 30, 2020 and the audited financial statements for the financial years ended March 31, 2020, 2019 and 2018 and are as follow:

(₹ in Lakhs, except EPS)

Profit & Loss Statement	Period ended Sep 30, 2020 *	For the year ended March 31,		
		2020	2019	2018
Revenue from Operations	-	38.12	217.02	355.98
Other Income	-	3.76	3.55	1.78
Total Income	-	41.87	220.57	357.76
Total Expenditure	10.40	104.34	393.83	631.07
Profit Before Depreciation Interest and Tax	(10.40)	(62.47)	(173.26)	(273.32)
Depreciation	-	119.87	139.74	142.33
Interest	0.02	0.10	1.66	207.27
Profit / (Loss) before Exceptional items and Tax	(10.42)	(182.44)	(314.65)	(622.91)
Exceptional Items	1743.13	322.20	-	-
Profit Before Tax	1732.13	139.76	(314.65)	(622.91)
Provision for Tax	-	5.61	-	-
Profit After Tax	1732.71	134.15	(314.65)	(622.91)
Balance Sheet Statement	Period ended Sep 30, 2020 *	For the year ended March 31,		
		2020	2019	2018
Sources of Funds				
Paid up share capital (Equity +Preference)	NA	2178.66	700.00	700.00
Share Capital Pending Allotment upon Scheme of Arrangement	-	-	-	-
Reserves and Surplus	NA	(3911.12)	(4045.27)	(3730.61)
Networth	NA	(1732.46)	(3345.27)	(3030.61)
Long Term Borrowings	NA	1746.01	4649.50	4168.10
Non Current Liabilities - Provisions	NA	-	-	-
Deferred Tax Liabilities	NA	-	-	-
Trade Payables	NA	0.00	17.01	30.93
Other Financial Liabilities	NA	-	-	-
Other Current Liabilities	NA	2.38	15.54	30.51
Current Liabilities - Provisions	NA	-	-	-
Total	NA	15.93	1336.78	1198.92
Use of Funds				
Non Current Assets	NA	0.00	1289.98	1143.05
Non-current investments	NA	-	-	-
Other Non-current assets	NA	0.00	8.98	6.92
Long Term Loans & Advances	NA	-	-	-
Non Current – Other Financial Assets	NA	-	-	-
Current Investments	NA	-	-	-
Inventories	NA	0.00	3.02	16.63
Trade Receivables	NA	-	-	-
Cash and Bank Balances	NA	3.69	0.01	1.25
Short term loans & advances	NA	0.00	0.72	2.17
Other Financial Assets	NA	-	-	-

Current Tax Assets (Net)	NA	-	-	-
Other current assets	NA	12.24	34.08	28.89
Total	NA	15.93	1336.78	1198.92
Other Financial Data		For the year ended March 31,		
		2020	2019	2018
Dividend (%)	NA	0	0	0
Earnings Per Share (₹)	24.75	1.92	(4.50)	(8.90)
Return on Net worth (%)	NA	(7.74)	9.41	20.55
Book Value per share (₹)	NA	(24.75)	(47.79)	(43.29)

* Unaudited and not annualized. Based on the quarterly results disclosed on www.bseindia.com.

16. Pre and Post Offer Shareholding Pattern of the Target Company as on date of this Draft Letter of Offer is and shall be as follows:

Shareholders' Category	Shareholding & voting rights prior to the acquisition and Open Offer		Equity Shares/ voting rights agreed to be acquired which has triggered the SEBI (SAST) Regulations		Equity Shares/ voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and Open Offer (Assuming full acceptances)	
	(A)		(B)		(C)		(D) = (A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter and Promoter Group								
a. Parties to the SPA:	25,28,650	36.12	-	-	-	-	-	-
b. Promoters other than (a) above, excluding Acquirers	2,510	0.04	-	-	-	-	2,510	0.04
Total (1)	25,31,160	36.16	-	-	-	-	2,510	0.04
(2) Acquirers					23,80,000	34.00	49,08,650	70.12
i. Acquirer 1	NIL		1264325	18.06				
ii. Acquirer 2	NIL		1264325	18.06				
Total (2)	NIL		25,28,650	36.12	23,80,000	34.00	49,08,650	70.12
(3) Parties to SPA other than (1)(a) & (2)	NA	NA	NA	NA	NA	NA	NA	NA
(4) Public	44,68,840	63.84	-	-	(23,80,000)	(34.00)	20,88,840	29.84
Total (4)	44,68,840	63.84	-	-	(23,80,000)	(34.00)	20,88,840	29.84
Grand Total (1+2+3+4)	70,00,000	100	25,28,650	36.12	(23,80,000)	(34.00)	70,00,000	100

Notes:

- To the extent the post-offer holding of the Acquirers in the Target Company exceeds the maximum permissible non-public shareholding in terms of Regulation 38 of the SEBI LODR Regulations read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto (the "SCRR"), the Acquirers undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.
- S. Kousalya, a promoter group member holding 2,510 Equity Shares representing 0.04% of the total equity/voting capital of the Target Company will not sell her shareholding to the Acquirers.
- Post the completion of all Open Offer formalities the Sellers along with S. Kousalya will be reclassified as per Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

17. Acquirers have not acquired any Equity Shares after date of PA till the date of Draft Letter of Offer.

18. In the month of March 2020, K.S.Venugopala (“**Transferor**”), one of the Promoters of the Target Company transferred 10,00,000 equity shares representing 14.29% of the paid up capital of the Target Company to his daughter-in-law, Surekha Shyam Venugopal (“**Transferee**”). The said transfer was not eligible for exemption under Regulation 10 of the SEBI (SAST) Regulations and thus was in breach of Regulation 3(2) of the SEBI (SAST) Regulations. The Transferee was under obligation to make an open offer to the Public Shareholders of the Target Company pursuant to acquisition of the said equity shares. **SEBI may take appropriate action against the Transferee in terms of SEBI (SAST) Regulations and provisions of SEBI Act for the said non-compliance of SEBI (SAST) Regulations.**

Further, the Transferor and Transferee have complied with Regulation 29 of SEBI (SAST) Regulations with a delay of 211 days. **SEBI may take appropriate action against them in terms of SEBI (SAST) Regulations and provisions of SEBI Act for the said delay of SEBI (SAST) Regulations.**

Since the fair market value of the equity shares of the Target Company is negative and the equity shares of the Target Company have not been quoted on BSE since the year 1999, the Acquirers have offered simple interest @ 10% p.a on the Offer Price

19. Promoter and Promoter Group of the Target Company have not been able to provide proof of dispatch/delivery for the submissions made by them under Regulation 30 of SEBI (SAST) Regulations for the financial years 2016 to 2020. However, the said submissions are available on the website of BSE, https://www.bseindia.com/corporates/Sast_Annual.html?scripcode=531628. Since the website of BSE does not mention about the date of compliance for each of the financial years and in absence of verification of proof of dispatch/delivery for the said submissions, Manager to the Offer has not been able to ascertain the compliance with timelines mentioned in Regulation 30 of SEBI (SAST) Regulations for the financial years 2016 to 2020. **SEBI may take appropriate action against the Promoter and Promoter Group of the Target Company in terms of SEBI (SAST) Regulations and provisions of SEBI Act for any delay of SEBI (SAST) Regulations.**
20. Further, Promoter and Promoter Group of the Target Company have not been able to provide proof of dispatch/delivery for the submissions made by them under Regulation 30 of SEBI (SAST) Regulations for the financial years 2013 to 2015. Also, the said submissions are not available on the website of BSE. In absence of any information on BSE and proof of dispatch/delivery for the said submissions, Manager to the Offer has not been able to ascertain the compliance with timelines mentioned in Regulation 30 of SEBI (SAST) Regulations for the financial years 2013 to 2015. **SEBI may take appropriate action against the Promoter and Promoter Group of the Target Company in terms of SEBI (SAST) Regulations and provisions of SEBI Act for any non compliance/delay of SEBI (SAST) Regulations.**

21. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A) JUSTIFICATION FOR THE OFFER PRICE

- The Equity Shares of the Target Company are listed on BSE only.
- The annualized trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the twelve calendar months prior to the month of PA (November 2019 to October 2020) is as given below:

Stock Exchange	Total no. of Equity Shares traded during the twelve calendar months prior to the month of PA	Total no. of listed Equity Shares	Annualized trading turnover (as % of Equity Shares listed)
BSE	NIL	70,00,000	NIL

(Source: www.bseindia.com)

- Based on the information provided in point 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.
- The Offer Price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
a)	Highest Negotiated price per Equity Share under SPA.	₹ 0.34
b)	The volume-weighted average price paid or payable for acquisition, by the Acquirers, during the fifty two weeks immediately preceding the date of PA;	Not Applicable
c)	The highest price paid or payable for any acquisition, by the Acquirers, during the twenty six weeks immediately preceding the date of PA	Not Applicable
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
e)	Where the shares are not frequently traded, the price determined by the Acquirers and the Manager taking into account valuation parameters per Equity Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares	(₹ 29.68) NIL
Other Financial Parameters as at March 31, 2020		
	Return on Networth (%) *	(4.18) %
	Book Value per share (₹) *	(45.87)
	Earnings per share (Diluted) (₹)	1.92

Mr. Sanka Hari Surya IBBI Registered Valuer (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; Email id: ca.harisurya@gmail.com, vide certificate dated November 06, 2020, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the (i) Net Assets Value ("NAV") Method and (ii) Comparables Multiples Method and accorded weight of 50% to NAV and 50% to Comparables Method for the purpose of arriving at the fair value for the Equity Shares of the Target Company. As per the certification given, the Fair Value has been arrived at ₹ (29.68) per Equity Share.

**For calculation of net worth only equity share capital and reserves and surplus are considered, preference share capital was excluded, as this valuation is for the purpose of the equity shareholders of the company.*

5. In the month of March 2020, K.S.Venugopala (“**Transferor**”), one of the Promoters of the Target Company transferred 10,00,000 equity shares representing 14.29% of the paid up capital of the Target Company to his daughter-in-law, Surekha Shyam Venugopal (“**Transferee**”). The said transfer was not eligible for exemption under Regulation 10 of the SEBI (SAST) Regulations and thus was in breach of Regulation 3(2) of the SEBI (SAST) Regulations. The Transferee was under obligation to make offer to the Public Shareholders of the Target Company pursuant to acquisition of the said equity shares.

Since the fair market value of the equity shares of the Target Company is negative and the equity shares of the Target Company have not been quoted on BSE since the year 1999, **the Acquirers have offered simple interest @ 10% p.a on the Offer Price, i.e. ₹ 0.05 (Paise Five only) per equity share to the Public Shareholders.**

6. In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
7. There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
8. There has been no revision in the Offer Price or to the size of this Offer as on the date of this DLOF.
9. An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last 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 Acquirers shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraphs V of the DPS; (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 and the Target Company at its registered office of such revision.

B) FINANCIAL ARRANGEMENTS

1. Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 13,09,000/- (Rupees Thirteen Lakhs Nine Thousand only).
2. The liquid assets of Acquirer 1 as on August 31, 2020 is ₹ 31.34 Lacs (Rupees Thirty One Lacs and Thirty Four Thousand Only) and the same is certified by K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*), Firm Registration No.: (*049125*) having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai - 600028; Email id: ksubramanyan@yahoo.com; vide certificate dated October 20, 2020.
3. The liquid assets of Acquirer 2 as on October 09, 2020 is ₹ 32.80 Lacs (Rupees Thirty Two Lacs and Eighty Thousand Only) and the same is certified by K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.013438*), Firm Registration No.: (*049125*), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com; vide certificate dated November 03, 2020.
4. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirers have opened an escrow cash account bearing Account No: 000405124435 (“**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 for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400020 and have made a cash deposit of ₹

13,09,000/- (Rupees Thirteen Lakhs Nine Thousand only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents **100%** of the total consideration payable to the Equity Shareholders under this Offer. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account in terms of the SEBI (SAST) Regulations.

5. The Acquirers have confirmed that they have 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.
6. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
7. Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the Open Offer in full accordance with the SEBI (SAST) Regulations.

VII. TERMS AND CONDITIONS OF THE OFFER

1. The tendering period will commence on Friday, January 01, 2021 and will close on Thursday, January 14, 2021.
2. The Equity Shares offered under this Offer should be free from all lien, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.
3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.
4. The Identified date for this Offer is Thursday, December 17, 2020.
5. Target Company has signed agreements with Depositories for offering Shares in dematerialized form. The ISIN Number is INE173E01019. (Source: www.bseindia.com)
6. The Marketable lot for the Shares of the Target Company for the purpose of this Offer shall be 100. (Source: www.bseindia.com)
7. None of the Equity Shares of the Target Company are subject to Lock-in.
8. 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.

A) ELIGIBILITY FOR ACCEPTING THE OFFER

1. The Letter of Offer shall be mailed to all Eligible Shareholders/Beneficial Owners (except the Acquirers, and Promoter and Promoter Group) whose names appear in register of Target Company as on Thursday, December 17, 2020, the Identified Date.
2. The Public Shareholders who have registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through electronic means. If Public Shareholders who have been sent the Letter of Offer through electronic means wish to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Registrar to the Offer at the address or email id mentioned on the cover page of the Letter of Offer by stating such Shareholder's name, address, number of Equity Shares held on Identified Date, client ID number, DP name / ID, beneficiary account number and upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Public Shareholder. The Public Shareholders who have not registered their email ids with the Depositories / the Target Company shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.
3. All Public Shareholders holding the shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date ("Tendering Period") for this Open Offer. Further, 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 Public Announcement, the Detailed Public Statement, the Letter of Offer and the Form of Acceptance will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, or the Form of Acceptance from the SEBI's website.
4. 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.

5. The acceptance of this Offer is entirely at the discretion of the Eligible Shareholder(s)/Beneficial owner(s) of Target Company.
6. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
7. The Acquirers reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to Thursday, December 31, 2020, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirers 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.

B) STATUTORY AND OTHER APPROVALS

1. As on the date of this Draft Letter of Offer, to the best of the knowledge of the Acquirers, there are no statutory approvals required by the Acquirers to complete this Offer. However, in case of any such statutory approvals are required by the Acquirers at a later date before the expiry of the tendering period, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such statutory approvals.
2. If any of the Public Shareholders of the Target Company that are not resident in India (such NRIs, OCBs and FIIs) require any approvals inter-alia from the Reserve Bank of India or any regulatory body for the transfer any Equity Shares to the Acquirers, they shall be required to submit such approval along with the other documents required to be tendered to accept this Offer. If such approval is not submitted, the Acquirers reserve the right to reject the Equity Shares tendered by such shareholders that are not resident in India. Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Eligible Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
3. The Acquirers shall complete all procedures relating to payment of consideration under this Offer within 10 working days from the date of expiry of the tendering period to those Eligible Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
4. 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 willful default or neglect of the Acquirers or the failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.
5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if the approvals mentioned in paragraph VII (B) are not satisfactorily complied with or any of the statutory approvals are refused, the Acquirers has a right to withdraw the Offer. In the event of withdrawal, a public announcement will be made within two (2) working days of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be filed with SEBI, BSE, NSE and the registered office of the Target Company.

VIII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. All Public Shareholders holding the Equity Shares in dematerialized form are eligible to participate in this Open Offer at any time during the period from Offer Opening Date till the Offer Closing Date (“Tendering Period”) for this Open Offer. Please refer to section titled “*Procedure for tendering Equity Shares held in Physical form*” below of this part, for details in relation to tendering of Offer Shares held in physical form.
2. The Open Offer shall be implemented by using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9,2016.
3. The facility for acquisition of shares through Stock Exchange Mechanism pursuant to the Offer shall be available on the BSE, which shall be the Designated Stock Exchange, in the form of a separate window (“**Acquisition Window**”).
4. For implementation of the Open Offer, the Acquirers have appointed Choice Equity Broking Private Limited (“**Buying Broker**”) through whom the purchases and settlements on account of the Open Offer would be made by the Acquirers. The contact details of the Buying Broker are as follows:

Name: Choice Equity Broking Private Limited

Address: Choice House, Shree Shakambhari Corporate Park, Plot No. 156-158, J B Nagar, Andheri (East), Mumbai-400099

Contact Person: Mr. Jeetender Joshi

Tel.: 022-67079857

E-mail ID: compliance@choiceindia.com; jeetender.joshi@choiceindia.com

5. All Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.
6. The Acquisition Window provided by BSE shall facilitate placing of sell orders.
7. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by the stock exchange during Tendering Period.
8. Public Shareholders who wish to bid /offer their physical shares in the Offer are requested to send their original documents as mentioned in the Draft Letter of Offer to the Registrar to the Offer so as to reach them within 2 days from closure of the Tendering Period. It is advisable to email scanned copies of the original documents mentioned in the Draft Letter of Offer, first to the Registrar to the Offer then send physical copies to the Registrar to the Offer’s address as provided in the Draft Letter of Offer.
9. In the event Selling Broker of Public Shareholder is not registered with BSE then that Public Shareholder can approach the Buying Broker as defined in the Point # 4 above and tender the Equity Shares through the Buying Broker after submitting the details as may be required by the Buying Broker to be in compliance with the SEBI (SAST) Regulations.

Procedure for tendering Equity Shares held in dematerialised form

- a. The Eligible Shareholders who are holding Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating to their Selling Broker the details of Equity Shares they intend to tender in this Offer.
- b. The Eligible Shareholders intending to tender Equity Shares are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account of the Indian Clearing Corporation Ltd. (“Clearing Corporation”). Such Eligible Shareholders shall provide early pay-in of demat Equity Shares (except for custodian participant orders) to the Clearing Corporation using the settlement number provided in the Offer opening circular before their respective

Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.

c. 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 6:00 PM on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

d. 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.

e. Upon placing the bid, the Selling Broker(s) shall provide transaction registration slip generated by the Designated Stock Exchange bidding system ("TRS") to the Eligible Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.

f. 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.

g. 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.

Procedure for tendering Equity Shares held in Physical form

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. Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature).

f. Self-attested copy of address proof such as valid Aadhar Card, Voter I.D., Passport.

g. The Selling Broker should place bids on the Designated Stock Exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the TRS generated by the Exchange Bidding System. TRS will contain the details of order submitted like Folio No., Certificate No. Dist. Nos., No. of shares etc.

h. After placement of order, as mentioned above in Point (g), 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 or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not

later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as “**TAL Open Offer**”. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.

i. Eligible Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Physical Shares in Offer shall be subject to verification by the RTA. On receipt of the confirmation from the RTA the bid will be accepted else rejected and accordingly the same will be depicted on the exchange platform.

j. In case any person has submitted Equity Shares in physical form for dematerialisation, 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.

k. 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

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirers 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.

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

a. 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, 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.

b. 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 Draft Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment. The Letter of Offer along with a Form of Acceptance-cum-Acknowledgment will be dispatched to all the Eligible Shareholders of the Target Company, whose names appear on the beneficial records of the respective depositories, in either case, at the close of business hours on the Identified Date to the Offer.

c. 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.

Settlement Process

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

b. The settlement of trades will be carried out in the manner similar to settlement of trades in the Acquisition Window Circulars.

c. 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.

d. 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.

e. 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.

f. 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.

g. Any excess physical Equity Shares, to the extent tendered but not accepted, will be returned back to the Eligible Shareholder(s) directly by Registrar to the Offer

h. The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker.

i. 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 Acquirers.

j. 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.

k. 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.

l. 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.

m. 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.

n. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirers 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 INCOME-TAX ACT, 1961 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 SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS (“DTAA”) WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRERS AND MANAGER TO OFFER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

a. The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax (“Taxpayer”) during a Financial Year and the taxpayer has to pay their taxes in the following year (Assessment Year). The Financial Year for Indian Residents starts from April 01 and ends on March 31. A person who is a resident in terms of Indian Income Tax Act, 1961, (“IT Act”) he is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act itself. A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the “Situs” of such shares. “Situs” of the shares is generally where a company is “incorporated”.

b. 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 IT Act.

c. A Taxpayer who is non-resident for tax purpose under Indian IT Act can avail benefits of the Double Taxation Avoidance Agreement (“DTAA”), between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including: a. those set out in limitation of benefits provisions present in the said DTAA (if any), b. the non-applicability of General Anti-Avoidance Rules, and c. providing and maintaining necessary information and documents as prescribed under the Income-tax Act.

d. The summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

e. As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the

shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.

f. Gains arising from the transfer of equity shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).

g. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

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

Taxability of Capital Gain in the hands of the Public Shareholders:

i. The Finance Act, 2018, vide Section 112A, has imposed an income tax on long-term capital gains at the rate of 10% (Ten percent only) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 1 (one) year and have been subject to Securities Transaction Tax (“STT”) upon both buy and sale (subject to certain transactions, yet to be notified, to which the provisions of applicability of payment of STT upon acquisition shall not be applicable). Under this provision the Capital Gains tax would be computed on gains exceeding ₹ 1,00,000 (Rupees One Lakh only) (without any indexation and foreign exchange fluctuation benefits). It may also be noted that any Capital Gains arising up to January 31, 2018 are grandfathered under this provision. The cost of acquisition for the long term capital asset acquired on or before *January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset (lower of consideration on 35 transfer) as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

ii. As per section 111A of the IT Act, short-term capital gains arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (Fifteen percent only) for Public Shareholders (except certain specific categories).

iii. Any applicable surcharge and education cess would be in addition to above applicable tax rates.

iv. In case of resident Public Shareholders, in absence of any specific provision under the IT Act, the Acquirers shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Offer.

v. In case of non-resident Public Shareholders, since the Offer is through the recognized stock exchange, the responsibility to discharge the tax due on the gains (if any) is on the non-resident Public Shareholders. It is therefore recommended that the non-resident Public Shareholder may consult their custodians/authorized dealers/ tax advisors appropriately.

THE TAX IMPLICATIONS ARE BASED ON PROVISIONS OF THE IT ACT AS APPLICABLE AS ON DATE OF THIS DRAFT LETTER OF OFFER. IN CASE OF ANY AMENDMENT MADE EFFECTIVE PRIOR TO THE DATE OF CLOSURE OF THIS OFFER, THEN THE PROVISIONS OF THE IT ACT AS AMENDED WOULD APPLY. NOTWITHSTANDING THE DETAILS GIVEN ABOVE, ALL PAYMENTS WILL BE MADE TO THE PUBLIC SHAREHOLDERS SUBJECT TO COMPLIANCE WITH PREVAILING TAX LAWS. THE FINAL TAX LIABILITY OF THE PUBLIC SHAREHOLDER SHALL REMAIN OF SUCH PUBLIC SHAREHOLDER AND THE SAID PUBLIC SHAREHOLDER WILL APPROPRIATELY DISCLOSE THE AMOUNTS RECEIVED BY IT, PURSUANT TO THIS OFFER, BEFORE THE INDIAN INCOME TAX AUTHORITIES.

IX. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer at Centre Point, 605, 6th floor, J.B. Nagar, Andheri-Kurla Road, Andheri (East), Mumbai- 400 059 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:

- Certificate of Incorporation, Memorandum and Articles of Association of Tejassvi Aaharam Limited.
- Certificate dated October 20, 2020 issued by Mr. K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*), Firm Registration No.: (*04912S*), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com, certifying the net worth of the Acquirer 1.
- Certificate dated October 20, 2020 issued by Mr. K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*) having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com, certifying the liquid assets of the Acquirer 1.
- Certificate dated November 03, 2020 issued by Mr. K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*) having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com, certifying the net worth of the Acquirer 2.
- Certificate dated November 03, 2020 issued by Mr. K Subramanyan Proprietor of K. S. & Co., Chartered Accountant (*Membership No.13438*) having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai -600028; Email id: ksubramanyan@yahoo.com, certifying the liquid assets of the Acquirer 2.
- Annual reports of the Target Company for the financial years ending March 31, 2018 and March 31, 2019.
- Audited financials of the Target Company for the financial year ending March 31, 2020.
- Copy of Escrow Agreement between the Acquirers, Manager to the Offer and Escrow Bank.
- Statement of funds deposited with the Escrow Bank.
- Copy of Share Purchase Agreement dated November 06, 2020 between the Acquirers and Sellers.
- Copy of Public Announcement dated November 06, 2020, published copy of the Detailed Public Statement dated November 09, 2020.
- Observation letter bearing reference number [●] dated [●] received from SEBI.
- A copy of the recommendation to be published on [●] made by the Committee of Independent Directors (IDC) of the Target Company.
- Copy of Pre Offer Advertisement.

X. DECLARATION BY THE ACQUIRERS

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

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRERS

ACQUIRER 1	ACQUIRER 2
Plot No. 38, Agni Fairy Land, ICL Home Town extension, Thundalam, Chennai – 600 077 Sd/-	No.26, R.K.Mutt Road, Mylapore, Chennai – 600 004 Sd/-

Place: Chennai

Date: November 10, 2020