

## DRAFT LETTER OF OFFER

### THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer is sent to you as a Shareholder(s) of **Servotech Industries Limited** ("SIL"/"Target Company"). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or Manager or Registrar to the Offer. In case you have recently sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-acknowledgement to the Member of the Stock Exchange through whom the said sale was effected.

#### OPEN OFFER ("OFFER")

Pursuant to Regulations 3 (1) and 4 and applicable provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto.

#### TO THE SHAREHOLDERS OF SERVOTECH INDUSTRIES LIMITED

(Hereinafter referred as "SIL" or "the Target Company" or "TC" or "the Company")

Having the Registered Office at 502, Triveni Krupa, Carter Road No. 3, Opp. Ambaji Mata Temple, Borivali (East) Mumbai, Maharashtra-400 066, India; Phone No. +91 22-41014400

(CIN: L28933MH1994PLC081857)

Email: info@servotech-india.com; Website: www.servotechengineering.in

BY

**Acquirer:** Mrs. Nikita D. Kothari, W/o. Mr. D. Kothari, aged about 46 years, is residing at A1/34, Shree Punit Nagar CHS, Plot No. 03, S.V. Road, Opp OBC Bank, Borivali West, Mumbai-400 092, Maharashtra, Tel. No. +91-7506262620, Email: kotharidg@gmail.com (Hereinafter referred to as "the Acquirer")

#### TO ACQUIRE

Up to 10,21,540 (Ten Lakhs Twenty-One Thousand Five Hundred and Forty) Equity shares of Rs. 10/- each representing 26.00% of the existing equity and voting share capital of the Target Company at a price of Rs. 3.00/- per share ("Offer Price").

#### Please Note

1. This Offer is being made pursuant to Regulation 3(1) and Regulation 4, of the SEBI (SAST) Regulations, 2011, and subsequent amendments thereof for the substantial acquisition of shares/voting rights accompanied with a change in control.
2. This Offer is not conditional upon any minimum level of acceptance by the shareholders of the Target Company.
3. As on the date of this Draft Letter of Offer, to the best knowledge of the Acquirer, there is no statutory approval(s) required to acquire Equity Shares that are validly tendered pursuant to this Offer. However, if any other statutory or governmental approval(s) are required or become applicable later before the closure of the Tendering Period, this Offer shall be subject to such statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals and this Offer would also be subject to such other statutory or other governmental approval(s). Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required to complete this Offer.
4. This Offer is not subject to a minimum level of acceptance and is not a conditional offer under Regulation 19 of the SEBI (SAST) Regulations.
5. This offer is not a competing offer. There has been no competing offer or revision of the Offer Price as on the date of this Draft Letter of Offer.
6. Shareholders who have tendered shares in acceptance of the Open Offer by tendering the requisite documents, in terms of the Public Announcement / Detailed Public Statement/Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
7. The Procedure for acceptance is set out in Para 8 of this DLOF. A Form of Acceptance is enclosed with this DLOF.
8. If there is any upward revision in the Offer Price by the Acquirer at any time prior to commencement of the last one working day before the commencement of the tendering period viz., **Thursday, July 27, 2023** you will be informed by way of another Announcement in the same newspapers in which the detailed Public Statement pursuant to Public Announcement was published. The acquirer shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement appeared.
9. A copy of the Public Announcement, detailed Public Statement and the Draft Letter of Offer (including a Form of Acceptance-cum-Acknowledgement) would also be available on SEBI's Website: www.sebi.gov.in
10. All correspondence relating to this offer, if any, should be addressed to the Registrar to the Offer, viz. Purva Sharegistry (India) Private Limited.

#### MANAGER TO THE OFFER



pnb investment services ltd.

(A wholly owned subsidiary of Punjab National Bank)

#### MANAGER TO THE OFFER

**PNB Investment Services Limited**

**Corporate Identification Number:**

U65191DL2009GOI187146

PNB Pragati Tower, 2<sup>nd</sup> Floor, C-9, G Block, Bandra Kurla Complex

Bandra (E), Mumbai- 400 051, Maharashtra, India

**Contact Person:** Mrs. Menka Jha/Mr. Sukant Goel

**Tel. No.:** +91-22-26532687

**Email:** mbd@pnbisl.com

**SEBI Registration No.:** INM000012306

**Validity:** Permanent

#### REGISTRAR TO THE OFFER



#### REGISTRAR TO THE OFFER

**PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

**Corporate Identification Number:** U67120MH1993PTC074079

Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opposite Kasturba Hospital Lane, Lower Parel (East) Mumbai - 400 011, Maharashtra, India

**Tel. Number:** +91- 22-2301 0771/4961 4132

Email: support@purvashare.com

Website: www.purvashare.com

Contact Person: Ms. Deepali Dhuri

SEBI Registration No.: INR000001112

Validity: Permanent

**OFFER OPENS ON: THURSDAY, JULY 27, 2023**

**OFFER CLOSES ON: THURSDAY, AUGUST 10, 2023**

## SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Tentative Activity Schedule	Date	Day
1.	Issue date of the Public Announcement	June 05, 2023	Monday
2.	Publication date of the Detailed Public Statement in the Newspapers	June 12, 2023	Monday
3.	The last date for filing the Draft Letter of Offer with SEBI	June 19, 2023	Monday
4.	Last date for Competing Offer(s)#	July 04, 2023	Tuesday
5.	The last date for receipt of comments from SEBI on the Draft Letter of Offer expected to be received (in the event SEBI has not sought clarification or additional information from the Manager)	July 11, 2023	Tuesday
6.	<b>Identified Date*</b>	July 13, 2023	Thursday
7.	Last date for dispatch of the Letter of Offer to the Public Shareholders of the Target Company whose names appear on the register of members on the Identified Date	July 20, 2023	Thursday
8.	Last date for publication of the recommendations of the committee of the independent directors of the Target Company to the Public Shareholders for this Offer in the Newspapers	July 25, 2023	Tuesday
9.	Last date for upward revision of the Offer Price and/or the Offer Size	July 26, 2023	Wednesday
10.	Last date of publication of opening of Offer public announcement in the Newspapers	July 26, 2023	Wednesday
11.	<b>Date of commencement of Tendering Period</b>	<b>July 27, 2023</b>	<b>Thursday</b>
12.	<b>Date of closing of Tendering Period</b>	<b>August 10, 2023</b>	<b>Thursday</b>
13.	Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	August 28, 2023	Monday

*\*Identified Date is only for determining the shareholders' names as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer and Sellers) are eligible to participate in the Offer any time before the closure of the Offer.*

### RISK FACTORS

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

#### A. Risks relating to Underlying Transaction

1. The Underlying Transaction is subject to various conditions as specified under the Share Purchase Agreement, including:
  - a) Receipt of all statutory approvals as set out in Paragraph 7.6 titled as 'Statutory Approvals and conditions of the Offer' at page 18 of this Draft Letter of Offer and those which become applicable prior to the completion of this Offer;
  - b) The satisfaction or waiver of the various conditions under the Share Purchase Agreement, and if these conditions are not satisfied or waived and subsequently terminated in accordance with the terms of the Share Purchase Agreement, then the Underlying Transaction may be terminated.
2. The Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

#### B. RELATING TO THE OFFER

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

- 1) The Offer involves to acquire 26% of the existing equity and voting share capital of SIL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 2) To the best of knowledge and belief of the Acquirer, as of the date of this DLoF, there are no statutory approvals required for this Open Offer. However, if any other statutory approvals are required prior to completion of this offer, this offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 3) In the event that (a) a statutory and regulatory approval is not received in a timely manner, (b) there is any litigation leading to a “stay” of the Offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, and 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 shareholders of SIL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirer may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirer paying interest to the shareholders for the delay, as may be specified by SEBI.
- 4) Shareholders should note that Equity Shares once tendered in the Offer with or without “Form of Acceptance-cum-Acknowledgement” (“FOA”) in the Offer, such shareholders will not be entitled to withdraw such acceptances. The acquisition of Open Offer Shares tendered in the Offer by NRIs and OCBs is subject to receipt of approval from RBI. NRIs and OCBs tendering Equity Shares in the Offer must obtain all requisite approvals required to tender the Equity Shares held by them, in this Offer (including without limitation the approval from RBI, since the Shares validly tendered in this Offer will be acquired by non-resident entities) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement (FOA).
- 5) The Equity Shares tendered in the Offer will be held in trust by the Buyer’s Broker until the completion of the Offer formalities. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Offer Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any shareholder of the Target Company on whether to participate or not to participate in the Offer.
- 6) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Draft Letter of Offer (“DLOF”) resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
- 7) The Public Shareholders are advised to consult their respective legal and tax advisors for assessing the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer does not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.

## **C IN ASSOCIATION WITH THE ACQUIRER**

- 1) The Acquirer intends to acquire up to 10,21,540 (Ten Lakhs Twenty-One Thousand Five Hundred and Forty) fully paid-up equity shares of Rs.10/- each, representing 26.00% of the existing equity and voting share capital at a price of Rs. 3/- (Rupees Three Only) per equity share, payable in cash under the SEBI (SAST) Regulations.
- 2) The Acquirer makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer.
- 3) The Acquirer makes no assurance with respect to the financial performance of the Target Company.
- 4) The Acquirer and the Manager to the Offer, accept no responsibility for the statements made otherwise than in the Offer Documents or in the advertisement or any materials issued by or at the instance of the Acquirer and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
- 5) For the purpose of disclosure in the Draft Letter of Offer, all information relating to the:

- (a) Target Company has been obtained from publicly available sources or from the Target Company.
- (b) Promoter Sellers have been obtained from them. The accuracy of such details of the Target Company and the Promoter Sellers have not been independently verified by the Acquirer and the Manager to the Offer.

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

#### **CURRENCY OF PRESENTATION**

In this Draft Letter of Offer, all references to "Rs." are to the reference of Indian National Rupees ("INR"). Throughout this Draft Letter of Offer, all figures have been expressed in "Lacs" unless otherwise specifically stated. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off.

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## 1. DEFINITIONS

TERM	DESCRIPTION
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirer	Mrs. Nikita D. Kothari
Board	The Board of Directors of Target Company
BSE	BSE Limited
Buying Broker / Member	Khandwala Securities Limited
CIN	Corporate Identification Number
Detailed Public Statement or DPS	Detailed Public Statement dated June 10, 2023, in connection with this Offer, published on behalf of the Acquirer on Monday, June 12, 2023, in Business Standards (English) (All Editions), Business Standards (Hindi) (All Editions) Mumbai Lakshadweep (Marathi) and (Mumbai Edition)
DLoF / DLOF or Draft Letter of Offer	This Offer Document
Effective Date	The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations
Existing Share & Voting Capital	The fully paid-up Equity Share capital of the Target Company is Rs. 4,22,96,000 (Four Crores Twenty-Two Lakhs Ninety-Six Thousand) comprising of 42,29,600 (Forty-Two Lakhs Twenty-Nine Thousand Six Hundred) Equity Shares.
EGM	Extra Ordinary General Meeting
EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement.
Identified Date	Thursday, July 13, 2023
Listing Agreement	Listing agreement as entered by the Target Company with the BSE
LLP	Limited Liability Partnership
Manager to the Offer or, Merchant Banker	PNB Investment Services Limited
Negotiated Price	Rs. 3/- (Rupees Three Only) per fully paid-up Equity Share of face value of Rs. 10/- each.
Offer/Open Offer/ The Offer	Open offer being made by the Acquirer for the acquisition of up 10,21,540 (Ten Lakhs Twenty-One Thousand Five Hundred and Forty) Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company, at a price of Rs.3.00/- (Rupees Three Only) per Equity Share, payable in cash, assuming full acceptance aggregating to a maximum consideration of Rs. 30,64,620/- (Rupees Thirty Lakhs Sixty-Four Thousand Six Hundred and Twenty Only)
Offer Price	Rs. 3.00/- (Rupees Three Only) per fully paid up Share of Rs. 10/- each payable in cash.
PA/Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirer dated Monday, June 05, 2023
Persons eligible to participate in the Offer/ Shareholders	Registered shareholders of Servotech Industries Limited and unregistered shareholders who own the Shares of Servotech Industries Limited on or before the last date of tendering period is eligible to participate in the offer.
RBI	Reserve Bank of India
Registrar or Registrar to the Offer	Purva Shareregistry (India) Private Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations / the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SPA	Share Purchase Agreement entered on June 05, 2023
Shares	Equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company
Stock Exchange(s)	BSE Limited
TSL/Target Company/ TC	The Target Company is a public limited company that was incorporated under the provisions of the Companies Act, 1956, under the name and style of 'Servotech Engineering Industries Limited. The name of the Company has been subsequently changed to Servotech Industries Limited pursuant to a special resolution passed by the members at Annual General meeting held on September 29, 2017 with effect from the Certification of Incorporation dated November 04, 2017. The Corporate identification Number of the company is L28933MH1994PLC081857 having registered office at 502, Triveni Krupa, Carter Road No. 3, Opp. Ambaji Mata Temple, Borivali (East) Mumbai, Maharashtra-400066, India

TERM	DESCRIPTION
PAT	Profit After Tax
Promoter Sellers	The existing promoters and members of the promoter group of the Target Company namely being, Mr. Radheshyam Lahoti, Mr. Ramawatar Lahoti, Lahoti Export Private Limited, and Quality Products Marketing Private Limited
Public Shareholders	All the equity shareholders of the Target Company other than (i) the Acquirer, (ii) the parties to the Share Purchase Agreement, and (iii) persons deemed to be acting in concert with parties at (i) and (ii) above, in compliance with the provisions of Regulation 7(6) of the SEBI (SAST) Regulations
RBI	Reserve Bank of India
	double
Return on Net Worth	Profit After Tax/ Net-Worth
Sale Shares	Sale of 12,35,462 (Twelve Lakhs Thirty-Five Thousand Four Hundred and Sixty-Two) Equity Shares, constituting 31.44% of the Voting Share Capital of the Target Company, by Promoter Sellers to the Acquirer, pursuant to the execution of a Share Purchase Agreement, at a negotiated price of Rs.3.00/- (Rupees Three Only) per Sale Share, aggregating to an amount of Rs.37,06,386/- (Rupees Thirty-Seven Lakhs Six Thousand Three Hundred and Eighty-Six Only), vide agreement dated 05 June, 2023
SCRR	Securities Contract (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto
Double	Double
Selling Broker	Respective stockbrokers of all the Public Shareholders who desire to tender their Equity Shares under this Offer

## 2. DISCLAIMER CLAUSE

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR THE 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 SIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE /OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, PNB INVESTMENT SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JUNE 19, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THIS OFFER.”**

### General Disclaimer

This Offer Documents in connection with the Offer, has been prepared for the purposes of compliance with the provisions of SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The delivery of Offer Documents, does not under any circumstances, create any implication that there has been no change in the affairs of the Target Company and the Acquirer since the date hereof or that the information contained herein is correct as at any time subsequent to this date. Nor is it to be implied that the Acquirer are under any obligation to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the Letter of Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this Draft Letter of Offer and/or the Letter of Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the Offer Documents are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted, and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations, and statutes to participate in this Offer.

### 3. DETAILS OF THE OFFER

#### 3.1 BACKGROUND OF THE OFFER

3.1.1 The Acquirer has entered into Share Purchase Agreement (SPA) with Sellers on June 05, 2023 for the acquisition of 12,35,462 (Twelve Lakhs Thirty-Five Thousand Four Hundred and Sixty-Two) Equity Shares, constituting 31.44% of the Voting Share Capital of the Target Company at a negotiated price of Re.3.00/- (Rupee Three Only) per Sale Share, aggregating to an amount of ₹ 37,06,386/- (Rupees Thirty-Seven Lakhs Six Thousand Three Hundred and Eighty-Six Only), payable in compliance with the terms and conditions scheduled in the SPA. Pursuant to SPA, the Acquirer shall hold majority of Equity Shares by virtue of which he shall be in a position to exercise control over management and affairs of the Target Company. This offer is made in terms of Regulations 3(1) and 4 of the Takeover Regulations.

3.1.2 The salient features of the Share Purchase Agreement are as follows:

- a. The Promoter Sellers are holding 12,35,462 (Twelve Lakhs Thirty-Five Thousand Four Hundred and Sixty-Two only) Equity Shares, constituting 31.44% of the Voting Share Capital of the Target Company.
- b. The Promoter Sellers have agreed to sell, and the Acquirer have agreed to acquire 12,35,462 (Twelve Lakhs Thirty-Five Thousand Four Hundred and Sixty-Two only) Equity Shares, constituting 31.44% of the Voting Share Capital of the Target Company, at a negotiated price of Re 3.00/- (Rupee Three Only) per Sale Share, aggregating to an amount of Rs. 37,06,386/- (Rupees Thirty-Seven Lakhs Six Thousand Three Hundred and Eighty-Six Only), payable in accordance with terms and conditions stipulated in the Share Purchase Agreement (**‘Purchase Price’**).
- c. The Sale Shares are free from all charges, encumbrances, pledges, lien, attachments, litigations and are not subjects to any lock in period.
- d. After completion of this Offer, the Promoter Sellers shall not hold any Equity Shares and Voting Share Capital in the Target Company, and hence shall be no longer be the Promoters of the Target Company in any capacity.
- e. The Promoter Sellers shall sell, convey, and deliver to the Acquirer the Sale Shares, and the Acquirer shall purchase, acquire, and accept the said Sale Shares from the Promoter Sellers.
- f. The Acquirer and the Promoter Sellers have agreed to abide by their obligations as contained in the SEBI (SAST) Regulations.
- g. Non-compliance with any provisions of the SEBI (SAST) Regulations will lead to termination of the Share Purchase Agreement, effecting such sale from being acted upon by the Promoter Sellers or the Acquirer.

3.1.3 Details of Parties to the SPA are as follow:



Promoter Sellers				Acquirer		
Name of the Promoter Sellers	Address of Sellers	No. of Equity Shares	% of Equity Shares/ Voting Rights	Name of the Acquirer	No. of Equity Shares	% of Equity Shares/ Voting Rights
Mr. Radheyshyam Lahoti	203, Kalpataru Garden, Building 1A, Off. Akurli Road, Ashok Nagar, Kandivali East, Mumbai – 400 101, Maharashtra, India	5,16,962	13.16%	Mrs. Nikita D. Kothari	12,35,462	31.44%
Mr. Ramawatar Lahoti	142, Ajit Colony, Ratanada, Jodhpur-342 001, Rajasthan, India	60,100	1.53%			
Lahoti Exports Private Limited	203 Chartered House, Dr. C H Street Dhobi Talav, Near Marine Lines, Mumbai-400 002, Maharashtra, India	3,65,600	9.31%			
Quality Products Marketing Private Limited	203 Chartered House, Dr. Cawasji Hormasji Dhobi Marine Lines Mumbai- 400 002, Maharashtra, India	2,92,800	7.45%			
<b>Total</b>		<b>12,35,462</b>	<b>31.44%</b>	<b>Total</b>	<b>12,35,462</b>	<b>31.44%</b>

- 3.1.4 This Open Offer is a "Mandatory Offer" under Regulations 3(1) and 4 of the Takeover Regulations being made by the Acquirer for the acquisition of 26.00% of the present issued, subscribed and paid up capital of Target Company. Consequent upon entering into SPA and assuming full acceptance under open offer, the post shareholding & voting rights of the Acquirer would come to 57.44% of the total paid-up equity shares of the Target Company. Pursuant to the acquisition of equity shares and consequent changes in control of the Target Company contemplated under the SPA, this mandatory Open Offer is being made by the Acquirer in compliance with Regulations 3(1) and 4 and other applicable provisions of SEBI (SAST) Regulations, 2011 as amended.
- 3.1.5 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.
- 3.1.6 The Acquirer does not propose to continue the existing business of the Target Company and may diversify its business activities in the future with prior approval of shareholders. The main purpose of this acquisition is to acquire complete management control of the Target Company. The Acquirer by virtue of acquiring substantial stake and also the management control of the Target Company, the Acquirer intends to integrate some of their businesses with that of the Target Company thereby gaining an advantage of integration while additionally getting a ready listing platform.
- 3.1.7 The Offer is not a competing offer under Regulation 20 of SEBI (SAST) Regulations.
- 3.1.8 The Acquirer has not acquired any equity shares/voting rights of the Target Company during the twelve (12) months period preceding the date of the Public Announcement.
- 3.1.9 There may be changes in the composition of Board of Directors of the Target Company after the completion of Offer, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations, 2015 and Regulation 24 of the SEBI (SAST) Regulations, 2011. No proposal in this regard has been finalized as on the date of this Draft Letter of Offer.
- 3.1.10 The Acquirer does not hold any equity shares in the Target Company as of the date of this DLOF.
- 3.1.11 No other persons/individuals/entities are acting in concert with the Acquirer for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations, 2011.

- 3.1.12 The Manager to the Open Offer i.e. PNB Investment Services Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.13 Simultaneously, by virtue of triggering of Regulations 3(1) and 4 of the Regulations due to substantial acquisition along with the management control; the PA was submitted with BSE on Monday, June 05, 2023 in compliance with Regulation 13(1) of the Regulations by the Acquirer. The PA was also submitted with SEBI and the Target Company in compliance with Regulation 14(2) of the Regulations.
- 3.1.14 Upon completion of this Offer and assuming full acceptance, the Acquirer will hold 22,57,002 Equity Shares representing 57.44% of total paid-up capital of the Target Company, thus, pursuant to this Open Offer, the public shareholding in the Target Company will not decrease from the Minimum Public Shareholding required as per the Securities Contracts (Regulation) Rules, 1957 as amended and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, As per Regulation 38 of the SEBI (LODR) Regulations, read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (Twenty-Five Percent) of the public shareholding, on continuous basis for listing. Pursuant to the completion of this Offer, assuming full acceptance, the public shareholding in the Target Company will not fall below the minimum public shareholding requirement as per SCRR and the SEBI (LODR) Regulations. In this case, after completion of Open Offer the Public Shareholding will not fall below the minimum requirement.
- 3.1.15 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company will constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

### 3.2 Details of the Proposed Offer

- 3.2.1 The Detailed Public Statement dated June 10, 2023, which was published in the following newspapers on Monday, June 12, 2023, in accordance with the provisions of Regulation 14 (3) of the SEBI (SAST) Regulations:

Publication	Language	Edition
Business Standards	English	All Editions
Business Standards	Hindi	All Editions
Mumbai Lakshadweep	Marathi	Mumbai Edition

*The Detailed Public Statement is also available on the SEBI website at [www.sebi.gov.in](http://www.sebi.gov.in)*

- 3.2.2 The Acquirer has proposed to acquire from the Public Shareholders up to 10,21,540 (Ten Lakhs Twenty-One Thousand Five Hundred and Forty) Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company at a price of Rs.3.00/- (Rupees Three Only) per Equity Share, aggregating to an amount of Rs. 30,64,620/- (Rupees Thirty Lakhs Sixty-Four Thousand Six Hundred and Twenty Only) payable in cash, in accordance with the provisions of Regulation 9 (1) (a) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in the Offer Documents.
- 3.2.3 There are no partly paid-up Shares in the Target Company.
- 3.2.4 The Acquirer has deposited an amount of Rs. 7,70,000/- (Rupees Seven Lakhs Seventy Thousand Only) i.e., more than 25.13% of the total consideration payable in the Offer, assuming full acceptance in the Escrow Account pursuant of this Offer, in compliance with the provisions of Regulation 22 (2) of the SEBI (SAST) Regulations
- 3.2.5 The Acquirer has not acquired any Equity Shares during the period of 52 (Fifty-Two) weeks prior to the date of the PA. Further, the Acquirer has not purchased any Equity Shares from the date of the Public Announcement to the date of this Draft Letter of Offer.
- 3.2.6 The Offer is not subject to any minimum level of acceptances from the Shareholders i.e. it is not a conditional offer.
- 3.2.7 The Offer is not as a result of any exercise regarding global acquisition which culminates in the indirect acquisition of control over, or acquisition of equity shares or voting rights in, the Target Company.

- 3.2.8** The Acquirer has not acquired any Shares in the Target Company after the date of PA i.e. June 05, 2023, up to the date of Draft Letter of Offer.
- 3.2.9** The Offer is subject to the terms and conditions set out herein and the PA and the DPS made by the Acquirer from time to time in this regard.
- 3.2.10** No competitive bid has been received as on date of this DLOF.
- 3.3 OBJECTS OF THE OFFER:**
- 3.3.1** This Offer is being made to the public shareholders of Target Company pursuant to and in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011. The Acquirer shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of acquisition of the Sale Shares and the Open Offer.
- 3.3.2** The prime object of this acquisition is to acquire complete management control of the Target Company. The Acquirer intends to integrate some of their businesses with that of the Target Company thereby gaining an advantage of seeking business integration while additionally getting a ready listing platform subject to all requisite approval.
- 3.3.3** The Acquirer has proposed to continue existing business of the Target Company and may diversify its business activities in future with prior approval of the shareholders. The main purpose of takeover is to expand the Company's business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.4** The Acquirer may at its discretion seek to effect changes to the board of directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations).
- 3.3.5** The Acquirer does not have any plans to dispose of or otherwise encumber any significant assets of SIL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the Target company. In the event any substantial asset of the Target Company is to be sold, disposed of or otherwise encumbered other than in the ordinary course of business, the Acquirer undertakes that she will do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of the SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.
- 3.3.6** The Acquirer has reserved the right to streamline/ restructure, pledge/ encumber its holding in the Target Company and/ or the operations, assets, liabilities and/ or businesses of the Target Company and/ or its subsidiary through arrangements, reconstructions, restructurings, mergers (including but not limited to merger with or between its subsidiary), demergers, sale of assets or undertakings and/ or re-negotiation or termination of existing contractual/ operating arrangements, at a later date in accordance with applicable laws. Such decisions will be taken in accordance with procedures set out under applicable law, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.
- 3.3.7** Post-completion of acquisition of Offer Shares as contemplated under this Offer and pursuant to the transfer of Sale Shares as contemplated under the Share Purchase Agreement, the Acquirer shall hold the majority of the Equity Shares of the Target Company by virtue of which they will be in a position to exercise effective management and control over the Target Company.
- 3.3.8** Pursuant to this Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirer shall become the Promoter of the Target Company and, the Promoter Sellers will cease to be the promoters of the Target Company in accordance with the provisions of Regulation 31A (10) of the SEBI (LODR) Regulations.

#### **4. BACKGROUND OF THE ACQUIRER**

##### **4.1 The details of the Acquirer is as follows:**

### **Mrs. Nikita D. Kothari (Acquirer)**

1. Mrs. Nikita D. Kothari, wife of Mr. Dharmendra Kothari, aged 41 years Indian Inhabitant, bearing Permanent Account Number 'APLPK7102F' under the Income Tax Act, 1961, is presently residing at A1/34, Shree Punit Nagar CHS, Plot No. 03, S.V. Road, Opp OBC Bank, Borivali West, Mumbai-400 092, Maharashtra, India.
2. She is 9<sup>th</sup> Grade passed in the year 2000 from I.H. Seth High School, Mora (Morva Hadaf), Rajasthan, and is experienced in the equity market, Financial Services Banking and Accounting etc
3. Acquirer does not belong to any group.
4. The Net Worth of Acquirer as of May 31, 2023, is Rs. 1,90,77,952/- (Rupees One Crore Ninety Lakhs Seventy Seven Thousand Nine Hundred Fifty-Two Only) as certified bearing unique document identification number 23302320BGUZMQ5037' on June 05, 2023, by Chartered Accountant, CA Sumit Kumar Verma bearing membership number '302320', by proprietor at Verma S & Associates (Chartered Accountants) bearing firm registration number '328962E' having their office located at 22/3, S.K.Deb Road, 1st Bye Lane, Gr. Floor, Tetultala Bus Stop, Kolkata-700 048, India with contact details being '+91 9883011638/ 9007770006 and Email Address being'cavermasumit@gmail.com'. Acquirer has sufficient liquid funds to fulfill the obligations under the Open Offer.
5. Acquirer does not hold any shares of Target Company as on the date of the PA and DPS, however she has agreed to buy 12,35,462 Equity Shares (Sale Shares) from current Promoter and Promoter group of Target Company through Share Purchase Agreement (SPA) dated June 05, 2023.
6. As on the date of this DLOF, Acquirer does not have any interest in Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to SPA.
7. Mrs. Nikita D. Kothari has not been associated with any Company as Director and her DIN is 07780991.

### **4.2 Declarations by the Acquirer**

1. The Acquirer has not acquired any Equity Shares in the Target Company till the date of this DLOF. Hence, compliance w.r.t. Chapter V of the Takeover Regulations, 2011 / Chapter II of the SEBI Takeover Regulations, 1997 is not applicable to them.
2. The Equity Shares tendered in this Offer will be acquired by Acquirer.
3. The Acquirer does not have any relations with the Target Company nor have any interest in the Target Company save and except the proposed shareholding to be acquired in the Target Company pursuant to SPA by the Acquirer. Neither the Acquirer nor their representatives are on the board of the Target Company.
4. The Acquirer has not been prohibited by SEBI from dealing in securities in terms of Section 11B of the SEBI Act (the "SEBI Act"). Further, there are no directions subsisting or proceedings pending against them under the SEBI Act and the regulations made thereunder, and no other statutory approval is pending.
5. Acquirer has confirmed that they are not categorized as a "Willful Defaulter" in terms of Regulation (1)(ze) of the SEBI (SAST) Regulations, 2011 nor they are categorized as a "Fugitive Economic Offender" in terms of Regulation (1)(ja) of the SEBI (SAST) Regulations, 2011.
6. The Acquirer has not entered into any non-compete arrangement and/or agreement with the Target Company or its management.
7. As on date of the DLOF, the Acquirer is in compliance with Regulation 6A & Regulation 6B of the Takeover Regulations, 2011.
8. The Acquirer has undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement and its related conditions.
9. The Acquirer has undertaken that if she acquires any equity shares of the Target Company during the Offer Period, she will inform the Stock Exchanges where the equity shares of the Target Company are listed the Target Company and the Manager to the Offer within 24 hours of the acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, she has also undertaken that she will not acquire any equity shares of the Target Company during

the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.

10. The Acquirer undertakes that she will not sell the equity shares of the Target Company, if any held by her during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.

## 5. BACKGROUND OF THE TARGET COMPANY

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

- 5.1** The Target Company is a public limited company that was incorporated under the provisions of the Companies Act, 1956, under the name and style of 'Servotech Engineering Industries Limited.' Vide Certificate of Incorporation bearing registration number "11-81857" vide certificate of Incorporation dated October 7, 1994. The name of the Company has been subsequently changed to Servotech Industries Limited pursuant to a special resolution passed by the members at Annual General meeting held on September 29, 2017 with effect from the Certification of Incorporation dated November 04, 2017.
- 5.2** The registered office of the Target Company is situated at 502, Triveni Krupa, Carter Road No. 3, Opp. Ambaji Mata Temple, Borivali (East), Mumbai-400 066, Maharashtra, India. Email: info@servotech-india.com; Website: <http://www.servotechengineering.in/>. Currently, the TC is involved in the business of dealing in Solvent extraction plants.
- 5.3** As on the date of this DLOF, Target Company has an Authorized Equity Share Capital of Rs. 6,00,00,000/- (Six Crores Only) of 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- each. The Issued, Subscribed and paid-up share capital of Target Company is Rs. ₹4,22,96,000/- (Rupees Four Crores Twenty -Two Lakhs Ninety Six Thousand Only) comprising of 42,29,600 (Forty Two Lakhs Twenty Nine Thousand Six Hundred) Equity Shares of Rs.10/- each.
- 5.4** The Equity Shares bears ISIN 'INE185D01015', Scrip Code '531944' and Scrip ID, 'SERVOTEACH'. The Target Company has already established connectivity with the Depositories. The Equity Shares of Target Company are Infrequently traded on BSE in terms of Regulation 2 (1) (j) of the Takeover Regulations.
- 5.5** As on date, the Target Company does not have any partly paid-up equity shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No shares are subject to any lock in obligations.
- 5.6** The Target Company is in compliance with the SEBI (LODR) Regulations, and as on date of this Draft Letter of Offer, no penal action has been taken by BSE against the Target Company. Further, no penalties had been or have been levied by SEBI/ RBI or any other regulatory body against the Target Company, and its Promoters.
- 5.7** The entire present and paid-up Equity Shares of the Target Company is currently listed on BSE Limited, Mumbai ("BSE"). The Equity Shares of the Target Company were listed on BSE w.e.f. August 19, 1996.
- 5.8** The Company has complied with the requirements of the Listing Agreement with BSE and as on date no penal action has been initiated by the BSE.
- 5.9** The details of the Share Capital of Target Company are as follows:

<b>Paid up Equity Shares of TSL</b>	<b>No. of Equity Shares/ Voting rights</b>	<b>% of Shares / voting rights</b>
Fully paid-up Equity Shares	42,29,600	100.00
Partly paid-up Equity Shares	NIL	NIL
Total Equity Shares	42,29,600	100.00
Total Voting Rights in the Target Company	42,29,600	100.00

**5.10** As on date of this DLOF, the Board of Directors of SIL are as follows:

<b>Name</b>	<b>Designation</b>	<b>Experience in years and field</b>	<b>Date of Appointment</b>
Mr. Radheshyam Sitaram Lahoti DIN: 00755363	Managing Director	69 Years	October 07, 1994
Mrs. Jyoti Vikas Kasat	Non-Executive Woman Director	45 Years	March 30, 2015

Name	Designation	Experience in years and field	Date of Appointment
DIN: 07143575			
Mr. Avijit Vasu DIN: 09209383	Non-Executive Independent Director	35 Years	December 02, 2021

**5.11** The Share of Target Company has been forfeited in the year of 2015-16, except the said forfeiture, there has been no merger, de-merger and spin off in the last three years in the Target Company. Due to said forfeiture, the Open Offer is triggered pursuant to acquisition of 1,00,000 Equity Shares of the Target Company on September 26, 2012 by the Promoter/Promoter Group as their aggregate holding in the Target Company crossed 25% of the Voting Capital. The Hon'ble Whole Time Member of SEBI vide Order No. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015 directed the Promoter/Promoter Group of the Target Company namely Mr. Radheshyam Lahoti ('Acquirer'), Lahoti Exports Private Limited ('PAC 1'), Quality Products Marketing Private Limited ('PAC 2'), Mr. Ramawtar Lahoti ('PAC 3'), Focus Investment & Traders Private Limited ('PAC 4') and Mr. Sitaram Lahoti to make a Public Announcement to acquire shares of the Target Company and pay interest at the rate of 10% per annum in accordance with the provisions of SEBI (SAST) Regulations, 2011. Offer was being made to the public shareholders of Target Company pursuant to the said Order of 2015 of the Hon'ble Whole Time Member of SEBI against the Acquirer and the PACs.

Hence open offer was made in 2015, being made to the public shareholders of Target Company pursuant to the Order no. WTM/RKA/CFD-DCR/05/2015 dated January 23, 2015 of the Hon'ble Whole Time Member of SEBI against the Acquirer and the PACs.

**5.12** Brief financial information of SIL for the financial year ended on March 31, 2023, 2022 and 2021 are given below:  
(Rs. in Lakhs except Equity Share Data)

Profit & Loss Statement	Year Ended 31.03.2023 (Unaudited)	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
Revenue from Operations	11.51	-	-
Other Income	28.10	-	-
<b>Total Income</b>	<b>39.62</b>	-	-
<b>Total Expenditure (Excluding Depreciation and Interest)</b>	<b>18.31</b>	<b>8.58</b>	<b>7.74</b>
Profit (Loss) before Depreciation, Interest & Tax	21.31	(8.58)	(7.74)
Depreciation and amortization Expenses	-	-	-
Less: Current Interest	-	-	-
Profit / (Loss) before Tax	21.31	(8.58)	(7.74)
Tax Expenses	1.82	-	-
<b>Profit/(Loss) after Tax</b>	<b>19.48</b>	<b>(8.58)</b>	<b>(7.74)</b>

(Rs. in Lakhs)

Balance Sheet	Year Ended 31.03.2023 (Unaudited)	Year Ended 31.03.2022 (Audited)	Year Ended 31.03.2021 (Audited)
<b>Sources of Funds</b>			
Paid up Share Capital	422.96	422.96	422.96
Other Equity	(437.88)	(457.37)	(448.78)
<b>Net Worth</b>	<b>(14.92)</b>	<b>(34.41)</b>	<b>(25.82)</b>
Secured Loan (Non-Current)	-	-	-
Unsecured Loan (Non-Current)	24.41	45.66	33.41
<b>TOTAL</b>	<b>9.49</b>	<b>11.25</b>	<b>7.59</b>
<b>Total Source of Funds</b>			
<b>Application of Funds</b>			
Net Fixed Assets	0.19	0.19	0.19
Investments (Non-Current)	7.86	7.86	7.86
Other Non-Current Assets			
Total Current Assets	5.14	7.72	6.89

Total Current Liabilities	3.7	4.52	7.36
Net Current Assets	1.44	3.2	(0.47)
Miscellaneous Expenses not written off/ Preliminary Expenses			
<b>TOTAL</b>	<b>9.49</b>	<b>11.25</b>	<b>7.59</b>
<b>Contingent Liabilities</b>			
<b>Other Financial Data</b>			
Dividend (%)			
Earnings Per Share in (in ₹) (Basic & Diluted)	(0.05)	(0.02)	(0.02)
Return on Net worth (%)	<b>(14.92)</b>	<b>(34.40)</b>	<b>(25.82)</b>
Book Value Per Share (in ₹)	(0.35)	(0.81)	(0.61)

5.13 Pre- and Post-Offer shareholding pattern of the SIL is as per the following table:

Shareholders' Category	Shareholding/voting rights prior to the SPA/ acquisition and offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding	No. of Equity Shares	% of Equity Shareholding
<b>1. Promoters &amp; Promoter Group</b>								
<b>Party to the Share Purchase Agreement</b>								
Mr. Radheshyam Lahoti	5,16,962	13.16%	(5,16,962)	(13.16%)	-	-	-	-
Mr. Ramawatar Lahoti	60,100	1.53%	(60,100)	(1.53%)				
Lahoti Exports Private Limited	3,65,600	9.31%	(3,65,600)	(9.31%)				
Quality Products Marketing Private Limited	2,92,800	7.45%	(2,92,800)	(7.45%)				
<b>Total</b>	<b>12,35,462</b>	<b>31.44%</b>	<b>(12,35,462)</b>	<b>(31.44%)</b>	-	-	-	-
<b>2. Acquirer</b>								
Mrs. Nikita D. Kothari	-	-	12,35,462	31.44%	10,21,540	26%	22,57,002	57.44%
<b>Total</b>	-	-	<b>12,35,462</b>	<b>31.44%</b>	<b>10,21,540</b>	<b>26%</b>	<b>22,57,002</b>	<b>57.44%</b>
<b>3. Parties to Share Purchase Agreement other than 1(a) &amp; 2</b>								
None	-	-	-	-	-	-	-	-
<b>4. Public (other than Parties to Agreement and Acquirer) #</b>								
a. FIs/ MFs/ FIIs/ Banks/ SFIs (Indicate names)	-	-	-	-	-	-	-	-
b. Others	26,93,538	68.56%	-	-	(10,21,540)	(26.00%)	16,71,998	42.56%
<b>Total (4) (a+b)</b>	<b>26,93,538</b>	<b>68.56%</b>	<b>-</b>	<b>-</b>				
<b>GRAND TOTAL (1+ 2+ 3+ 4)</b>	<b>39,29,000</b>	<b>100.00%</b>	<b>12,35,462</b>	<b>31.44%</b>	<b>NIL</b>	<b>NIL</b>	<b>39,29,000</b>	<b>100.00%</b>

5.14 The number of Shareholders in SIL in public category is 2000 as on date of DLOF.

5.15 The Company is not a sick Company.

5.16 Status of corporate governance compliances by SIL:

The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

**5.17** The Target Company, and its Promoters, are not declared as ‘Fugitive Economic Offenders’ under Section 12 of the Fugitive Economic Offenders Act, 2018 nor have they been categorized nor are appearing in the ‘Wilful Defaulter or Fraudulent Borrower’ list issued by any bank, financial institution, or consortium thereof in accordance with the guidelines on wilful defaulters or fraudulent borrowers issued by SEBI.

**5.18** Ms. Deepali Tukaram Pendhari is the Compliance Officer of the Target Company, vide address at 502, Triveni Krupa, Carter Road No. 3, Opp. Ambaji Mata Temple, Borivali (East), Mumbai-400 066, Maharashtra, India. Phone No. . +91 22-41014400, Email id: [info@servotech-india.com](mailto:info@servotech-india.com)

**5.19** The closing market price of the Equity Shares of the Target Company as on the date of the Public Announcement and the Detailed Public Statement, the trading day after the date of the Public Announcement was as below:

Particulars	Closing Market Price
Monday, June 05, 2023, being the date of PA	₹5.34/-
Tuesday, June 06, 2023, being the next Trading after date of PA	NIL
Saturday, June 10, 2023, being the date of the DPS	NIL
Monday, June 12, 2023, being the date of publication of the DPS	₹5.34/-

## 6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 6.1. Justification of the Offer Price

6.1.1. The Equity Shares of the Target Company bearing ISIN ‘INE185D01015’ are presently listed on the BSE bearing Scrip ID ‘SERVOTEACH’ and Scrip Code ‘531944’.

6.1.2. The trading turnover in the Equity Shares of the Target Company on BSE based on trading volume during the 12 (twelve) calendar months prior to the month of PA (Wednesday, May 31, 2023, to Wednesday, June 01, 2022) have been obtained from [www.bseindia.com](http://www.bseindia.com), as given below:

Stock Exchange	Total no. of Equity Shares traded during the 12 (twelve) calendar months prior to the month of PA	Total no. of listed Equity Shares	Total trading turnover (as % of shares listed)
BSE	51,016 (Fifty-One Thousand and Sixteen only)	39,29,000	1.30%

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

Based on the information provided 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.

6.1.3. The Offer Price of Re.3.00 (Rupee Three Only) has been determined considering the parameters as set out under Regulations 8 (1) and 8 (2) of the SEBI (SAST) Regulations, being highest of the following:

Sr. No.	Particulars	Price (In ₹ per Equity share)
1.	Negotiated Price under the Share Purchase Agreement attracting the obligations to make a Public Announcement for the Offer	Rs.3.00/-
2.	The volume-weighted average price paid or payable for acquisition(s) by the Acquirer, during the 52 (fifty-two) weeks immediately preceding the date of Public Announcement	Not Applicable
3.	The highest price paid or payable for any acquisition by the Acquirer, during the 26 (twenty-six) weeks immediately preceding the date of Public Announcement	Not Applicable
4.	The volume-weighted average market price of Equity Shares for a period of 60 (sixty) trading days immediately preceding the date of Public Announcement as traded on BSE where the maximum volume of trading in the Equity Shares of the Target Company are recorded during such period, provided such shares are frequently traded	Not Applicable
5.	Where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager considering valuation parameters per Equity Share including, book value, comparable trading multiples, and such other parameters as are customary for valuation of Equity Shares	Not Applicable



*\*Cost Accountant and Registered Valuer, Suman Kumar Verma bearing IBBI Registration No.: IBBI/RV/05/2019/12376'and having his office at, Lane No.10, Indra Park, Palam Colony, New Delhi- 110045, India, through his valuation report dated June 02, 2023, has certified that the fair value of the Equity Share of Target Company is Rs. 3/- (Rupees Three) per Equity Share.*

In view of the parameters considered and presented in the table above, in the opinion of the Acquirer and Manager, the Offer Price of Rs. 3/- (Rupee Three Only) per Equity Share being the highest of the prices mentioned above is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations and is payable in cash.

- 6.1.4. As on date of this Draft Letter of Offer, there is no revision in Offer Price or Offer Size. In case of any revision in the Offer Price or Offer Size, the Acquirer would comply with Regulation 18 and all other applicable provisions of SEBI (SAST) Regulations.
- 6.1.5. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 (9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, reduction, etc. where the record date for effecting such corporate actions falls between the date of this Draft Letter of Offer up to 3 (three) Working Days prior to the commencement of the Tendering Period of the Offer, in accordance with Regulation 8 (9) of the SEBI (SAST) Regulations.
- 6.1.6. In the event of any acquisition of Equity Shares by the Acquirer during the Offer Period, at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8 (8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3<sup>rd</sup> (third) Working Day prior to the commencement and until the expiry of the Tendering Period of this Offer.
- 6.1.7. As on the date of this Draft Letter of Offer, there is no revision in the Offer Price or Offer Size. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may also be done at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period in accordance with the provisions of Regulation 18 (4) of the SEBI (SAST) Regulations. Such revision would be done in compliance with other formalities prescribed under the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall: (i) make corresponding increase to the escrow amount (ii) make an announcement in the same newspapers in which this this Detailed Public Statement has been published; and (iii) simultaneously notify the BSE, the SEBI, and the Target Company at its registered office of such revision.
- 6.1.8. If the Acquirer acquires Equity Shares during the period of 26 (twenty-six) weeks after the Tendering Period at a price higher than the Offer Price, the Acquirer would pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in the Open Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under SEBI (SAST) Regulations, or pursuant to Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 6.1.9. In terms of Regulation 25(1) of the SEBI (SAST) Regulations, the Acquirer has adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own sources/ Net-worth and no borrowings from any Bank and/ or Financial Institutions. As certified by Chartered Accountant, CA Sumit Kumar Verma bearing membership number '302320', the Net Worth of the Acquirer dated May 31, 2023, is Rs. 1,90,77,952/- (Rupees One Crore Ninety Lakhs Seventy Seven Thousand Nine Hundred Fifty-Two Only) as certified bearing unique document identification number 23302320BGUZMQ5037' on June 05, 2023, by proprietor at Verma S & Associates (Chartered Accountants) bearing firm registration number '328962E' having their office located at 22/3, S.K.Deb Road, 1st Bye Lane, Gr. Floor, Tetultala Bus Stop, Kolkata-700 048, India with contact details being '+91 9883011638/ 9007770006 and Email Address being'cavermasumit@gmail.com'. The Acquirer has sufficient liquid funds to fulfill the obligations under the Open Offer.
- 6.1.10. The maximum consideration payable by the Acquirer to acquire up to 10,21,540 (Ten Lakhs Twenty-One Thousand Five Hundred and Forty Only) Equity Shares, representing 26.00% (Twenty Six Percent) of the Voting Share Capital of the Target Company at the Offer Price of ₹3.00/- (Rupee Three Only) per Offer Share, assuming full acceptance of the Offer aggregating to Rs. 30,64,620 (Thirty Lakhs Sixty-Four Thousand Six Hundred and Twenty only). In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer has opened an Escrow Account under the name and style of 'Servoteach Open Offer Escrow Account' with Axis Bank Limited and has deposited an amount of Rs. 7,70,000/- (Rupees Seven Lakhs Seventy Thousand Only) i.e., more than 25.13% of the total consideration payable in the Offer, assuming full acceptance.
- 6.1.11. The Manager is authorized to operate the Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.1.12. Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to offer is satisfied about the ability of the Acquirer to fulfill its obligation in respect of this Offer in accordance with the SEBI (SAST) Regulations.

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

## **2. TERMS AND CONDITIONS OF THE OFFER**

7.1 The Letter of Offer will be mailed to all those Public Shareholders of the Target Company whose names appear on the Register of Members and to the beneficial owners of the Equity Shares of the Target Company whose names appear on the beneficial records of the Depository Participant, at the close of business hours on Thursday July 13, 2023.

7.2 Accidental omission to dispatch the Letter of Offer or the non-receipt or delayed receipt of the Letter of Offer will not invalidate this Offer in anyway.

7.3 In terms of the provisions of Regulation 18 (9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in this Offer shall not be entitled to withdraw such acceptance.

### **7.4 Locked-in Shares**

None of the Equity Shares of the Target Company are subject to lock-in.

### **7.5 Eligibility for accepting the Offer.**

7.5.1 The Letter of Offer shall be mailed to all the Public Shareholders and/or beneficial owners holding Equity Shares in dematerialized form whose names appear in register of Target Company as on Thursday July 13, 2023, i.e. the Identified Date.

7.5.2 Except the Acquirer, the Promoters / promoter group of the Target Company and the Sellers, all the registered shareholders of the Target Company and unregistered shareholders who own the Equity Shares of the Target Company any time prior to the Closure of Offer, including the beneficial owners of the shares held in dematerialised form, are eligible to participate in the Offer.

7.5.3 This Offer is also open to persons who own Equity Shares but are not registered Public Shareholders as on the Identified Date.

7.5.4 All Public Shareholders and/or beneficial owners who own Equity Shares of the Target Company any time before the closure of this Offer are eligible to participate in this Offer.

7.5.5 The Acquirer have appointed Purva Sharegistry (India)Private Limited, as the Registrar to the Offer, having office at 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Opposite Kasturba Hospital Lane, Lower Parel (East) Mumbai – 400011, Maharashtra with contact number being '022-23012518/ 8261',E-mail Address being '[support@purvashare.com](mailto:support@purvashare.com)' and website being '[www.purvashare.com](http://www.purvashare.com)'. The Contact Person Ms. Deepali Dhuri can be contacted from 10:00 a.m. to 5:00 p.m. on working days (except Saturdays, Sundays and all public holidays), during the Tendering Period.

7.5.6 The Offer Documents will also be available on the website of SEBI accessible at [www.sebi.gov.in](http://www.sebi.gov.in), BSE accessible at [www.bseindia.com](http://www.bseindia.com) and Manager to the offer accessible at [www.pnbisl.com](http://www.pnbisl.com) In case of non-receipt of the Letter of Offer, all Public Shareholders including unregistered Public Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance from the website of SEBI for applying in this Offer.

7.5.7 Unregistered Public Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Public Shareholders.

7.5.8 The acceptance of this Offer by the Public 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.

7.5.9 The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s)/beneficial owner(s) of Target Company.

7.5.10 The Acquirer, Manager to the Offer, or the Registrar accepts no responsibility for any loss of Equity Share certificates, Offer Acceptance Forms, and Share Transfer Deed, etc., during transit and the Public Shareholders of Target Company are advised to adequately safeguard their interest in this regard.

7.5.11 The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer.

7.5.12 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this Offer.

### **7.6 Statutory Approvals and conditions of the Offer**

- 7.6.1 As on the date of this Detailed Public Statement, to the knowledge of the Acquirer, there are no other statutory approvals required to complete this Offer. However, in case of any such statutory approvals are required by the Acquirer later before the expiry of the Tendering Period, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such statutory approvals.
- 7.6.2 If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and FIIs) required and received any approvals (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender their Equity Shares held by them in this Offer, along with other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer.
- 7.6.3 The Acquirer in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with this Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared.
- 7.6.4 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirer, or failure of the Acquirer to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Public Shareholders as directed by SEBI, in terms of the provisions of Regulation 18 (11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirer in obtaining the requisite approvals, the provisions of Regulation 17 (9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture. Further, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.6.5 There are no conditions stipulated in the SPA between the Acquirer and the Sellers, 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 of the SEBI (SAST) Regulations.

## 8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 8.1 The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges in the form of separate window (“Acquisition Window”) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended vide SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 as amended from time to time, and SEBI Circular bearing number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021. As per SEBI Circular bearing number SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure to the said circular.
- 8.2 BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in this Offer.
- 8.3 The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on the BSE, in the form of a separate window (“**Acquisition Window**”).
- 8.4 For implementation of this Offer, the Acquirer has appointed Khandwala Securities Limited (“**Buying Broker**”) through whom the purchases and settlements on account of this Offer would be made by the Acquirer. The contact details of the Buying Broker are as follows:

<b>Name</b>	Khandwala Securities Limited
<b>Address</b>	Vikas Building, Ground Floor, Green Street, Fort, Mumbai - 400023
<b>Contact Details</b>	+912240767373
<b>Email Address</b>	pranavk@kslindia.com
<b>Contact Person</b>	Mr. Pranav Khandwala

- 8.5 All the Public Shareholders who desire to tender their Equity Shares under this Offer would have to approach their respective stockbrokers (“**Selling Broker**”), during the normal trading hours of the secondary market during the Tendering Period.

- 8.6 The Acquisition Window provided by the BSE shall facilitate placing of sell orders. The Selling Brokers can enter orders for dematerialized Equity Shares only.
- 8.7 The cumulative quantity tendered shall be displayed on the BSE's website throughout the trading session at specific intervals by the BSE during Tendering Period.
- 8.8 Equity Shareholders can tender their Equity Shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

### **8.9 Procedure for Equity Shares held in physical form.**

- 8.9.1 In accordance with the Frequently Asked Questions issued by SEBI, 'FAQs – Tendering of physical shares in buyback offer/ open offer/ exit offer/ delisting dated February 20, 2020' and SEBI circular bearing reference number 'SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020', shareholders holding securities in physical form are allowed to tender shares in the open offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations.
- 8.9.2 Public Shareholders who are holding physical Equity Shares and intend to participate in this Offer shall approach Selling Broker. The Selling Broker should place bids on the BSE's 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 Equity Shares etc.
- 8.9.3 After placement of order, the Selling Broker(s)/ Eligible Shareholders must ensure delivery of the Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein the along with the complete set of documents for verification procedures to be carried out, namely being: (a) original share certificate(s), (b) valid share transfer form(s) duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Target Company, (c) self-attested copy of the shareholder's PAN Card, and (d) TRS, any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (Two) days from the closure of the Tendering Period latest by 5:00 PM (Indian Standard Time). The envelope should be superscripted as '**Servoteach Industries Open Offer**'. One copy of the TRS will be retained by Registrar and it will provide acknowledgement of the same to the Selling Broker.
- 8.9.4 In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the relevant Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (a) valid Aadhar Card; (b) Voter Identity Card; or (c) Passport.
- 8.9.5 Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted else rejected and accordingly the same will be depicted on the BSE platform.
- 8.9.6 Public Shareholders who have sent the Equity Shares held by them for dematerialization need to ensure that the process of dematerialization is completed in time for the credit in the Escrow Demat Account, to be received on or before the closure of the Tendering Period or else their application will be rejected.
- 8.9.7 Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of Equity Shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
- a) Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
  - b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s);
  - c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien, or encumbrance;

### **8.10 Procedure for tendering the Equity Shares held in dematerialized form**

- 8.10.1. The Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Selling Broker/ Seller Member, indicating details of Equity Shares they wish to tender in this Offer.
- 8.10.2. The Seller Member would be required to place a bid on behalf of the Public Shareholders who wish to tender their Equity Shares in this Offer using the Acquisition Window of the BSE Limited.
- 8.10.3. The lien shall be marked in demat account of the Eligible Public Shareholders for the Equity Shares tendered in this Offer. The details of Equity Shares marked as lien in the demat account of the Eligible Public Shareholders shall be provided by Depositories to the Clearing Corporation.
- 8.10.4. In case, the demat account of the Eligible Public Shareholders is held in one depository and clearing member pool and clearing corporation account is held with another depository, the Equity Shares tendered under this Offer shall be blocked in the Public Shareholders demat account at the source depository during the Tendering Period. Inter Depository Tender Offer ('IDT') instruction shall be initiated by the Public Shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the Public Shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. The details of Equity Shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.
- 8.10.5. For Custodian Participant orders for Equity Shares in demat form, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than closing of trading hours on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- 8.10.6. Upon placing the order, the Seller Member shall provide a transaction registration slip generated by the exchange bidding system to the Eligible Public Shareholder on whose behalf the order has been placed. The TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.10.7. It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed acceptance form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the tender for this Offer shall be deemed to have been accepted.
- 8.10.8. The Eligible 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 pro rata (if applicable) decided by the Company.

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

- 9.1 The Registrar shall provide details of order acceptance to Clearing Corporation within the specified timelines.
- 9.2 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

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

- 10.1 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.
- 10.2 A Public Shareholder may participate in this Offer by approaching their broker/ Selling Broker and tender Equity Shares in this Offer as per the procedure mentioned in the Letter of Offer.
- 10.3 The Letter of Offer along with acceptance form will be dispatched to all the eligible Public Shareholders of the Target Company, as appearing in the list of members of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) or obtain a copy of the same from the Registrar on providing suitable documentary evidence of holding of the Equity Shares.
- 10.4 The Letter of Offer along with the Form of Acceptance would also be available at website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in) and Public Shareholders can also apply by downloading such forms from the said website.

10.5 Alternatively, in case of non-receipt of the Letter of Offer, the eligible Public Shareholders holding the Equity Shares may participate in this Offer by providing their application in plain paper in writing signed by all the shareholder(s), stating name, address, number of Equity Shares held, client-ID number, DP name, DP-ID number, number of Equity Shares tendered and other relevant documents as mentioned in Paragraph 8.9 titled as '*Procedure for Equity Shares held in physical form*' at page 19 of this Draft Letter of Offer. Such eligible Public Shareholders have to ensure that their order is entered in the electronic platform of BSE, made available by BSE before the closure of the Tendering Period.

## **11. SETTLEMENT PROCESS AND PAYMENT OF CONSIDERATION**

11.1 Upon finalization of the basis of acceptance as per the SEBI (SAST) Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by the Clearing Corporation from time to time.

11.2 Details in respect of Public Shareholder's entitlement for this Offer shall be provided to Clearing Corporation by Company/Registrar to the Offer. On receipt of the same, the Clearing Corporation will cancel excess or unaccepted blocked Equity Shares. On settlement date, all blocked Equity Shares mentioned in the accepted tender will be transferred to the Clearing Corporation.

11.3 In the case of IDT, Clearing Corporation will cancel the excess or unaccepted Equity Shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with tender accepted detail as received from the Registrar to the Offer. Post receiving the IDT message from target depository, source depository will cancel/release excess or unaccepted block Equity Shares in the demat account of the Public Shareholder. Post completion of the Tendering Period and receiving the requisite details viz., demat account details and accepted tendered quantity, source depository shall debit the Equity Shares as per the communication/ message received from target depository to the extent of accepted tendered Equity Shares from the Public Shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.

11.4 The Buying Broker will transfer the consideration pertaining to this Offer to the Clearing Corporation's bank account as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under this Offer, the Clearing Corporation will make direct funds pay-out to the respective Eligible Public Shareholders. If the bank account details of any Eligible Public Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or any other relevant Bank, due to any reasons, then the amount payable to the Eligible Public Shareholders will be transferred to the concerned Seller Member for onward transfer to such Eligible Public Shareholder holding Equity Shares in dematerialized form.

11.5 In case of certain client types viz. NRI, foreign clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Member's settlement accounts for releasing the same to the respective Eligible Public Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the tenders settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the BSE Limited and the Clearing Corporation from time to time.

11.6 For the Eligible Public Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Public Shareholder's account. On settlement date, all blocked Equity Shares mentioned in accepted tender shall be transferred to Clearing Corporation.

11.7 The Equity Shares tendered in the dematerialized form would be transferred directly to the escrow demat account/ demat account of the Acquirer provided it is indicated by the Buying Brokers or it will be transferred by the Buying Broker to the demat escrow account/ demat account of the Acquirer on receipt of the Equity Shares from the clearing and settlement mechanism of BSE Limited.

11.8 Excess Equity Shares or unaccepted Equity Shares, in dematerialized form, if any, tendered by the Eligible Public Shareholders would be transferred by the Clearing Corporation directly to the respective Eligible Public Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Public Shareholder. The Public Shareholders of the demat Equity Shares will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in this Offer.

11.9 Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned back to the Eligible Public Shareholders directly by the Registrar to the Offer. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in this Offer by Eligible Public Shareholders holding Equity Shares in the physical form.

- 11.10 The Seller Member would issue contract note for the Equity Shares accepted under this Offer and will unblock the excess unaccepted Equity Shares. The Buying Broker would also issue a contract note to the Company for the Equity Shares accepted under this Offer.
- 11.11 Equity Shareholders who intend to participate in this Offer should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in this Offer (secondary market transaction). Therefore, the Offer consideration received by the selling Eligible Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Offer and the Acquirer accept no responsibility to bear or pay any additional cost, applicable taxes, charges, and expenses (including brokerage) levied by the Seller Member, and such costs will be borne solely by the Eligible Public Shareholders.
- 11.12 In case of delay in receipt of any statutory approval(s), the SEBI may, if satisfied that such delay in receipt of the statutory approval(s) was not attributable to any wilful default, failure, or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by the SEBI (including payment of interest in accordance with Regulation 18 (11) of the SEBI (SAST) Regulations grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Eligible Public Shareholders whose Equity Shares have been accepted in the Offer.

## **12. NOTE ON TAXATION**

### **12.1 General**

- 12.1.1. Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.
- 12.1.2. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his/her worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or is deemed to accrue or arise in India) as also income received by such person in India. In case of shares of a company, the source of income from shares will depend on the "situs" of such shares. As per judicial precedents, the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- 12.1.3. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- 12.1.4. Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the Multilateral Instrument ("MLI") as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 12.1.5. The IT Act also provides for different income-tax regimes/rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 12.1.6. The Public Shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income-tax authorities, reporting their income for the relevant year.
- 12.1.7. The summary of income-tax implications on tendering of listed equity shares is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

### **12.2 Classification of Shareholders: Public Shareholders can be classified under the following categories:**

#### **a) Resident Shareholders being:**

- Individuals, Hindu Undivided Family ("HUF"), Association of Persons ("AOP") and Body of Individuals ("BOI")
  - Others:
- (i) Company

(ii) Other Than Company

**b) Non-Resident Shareholders being:**

- Non-Resident Indians (NRIs)
- Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
- Others:

(i) Company

(ii) Other Than Company

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

**12.4 Taxability of Capital Gains in the hands of shareholders**

12.4.1 Gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, unless specifically exempted, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

12.4.2 As per the current provisions of the IT Act, where the shares are held as investments (i.e. capital assets), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Further, Section 2(14) of the IT Act has provided for deemed characterization of securities held by FPIs as capital assets, whether or not such assets have been held as a capital asset; and therefore, the gains arising in the hands of FPIs will be taxable in India as capital gains.

12.4.3 Capital Gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act.

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

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

12.4.5 The Finance Act, 2018, vide Section 112A, has imposed an income tax on LTCG at the rate of 10% (plus applicable surcharge and health and education cess) on transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to STT upon both acquisition and sale exceeding Rs. 1,00,000 (Rupees One lakh only) (without any indexation and foreign exchange fluctuation benefits).

12.4.6 As per section 111A of the IT Act, STCG arising from transfer of listed shares on which STT is paid would be subject to tax at the rate of 15% (plus applicable surcharge and health and education cess) (except under specific categories).

However, since STT will not be applicable to the Equity Shares transferred in this Offer, the provisions of Section 112A and Section 111A of the IT Act shall not be applicable.

12.4.7 LTCG arising from tendering of Equity Shares in the Offer shall be subject to tax as follows:

- a) LTCG will be chargeable to tax at the rate of up to 20% (plus applicable surcharge and health and education cess) in the case of a non-resident Public Shareholder (other than a FPI/FIL, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
- b) In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).



- c) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost may not be available.
- d) For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation.

12.4.8 Further, any gain realized on the sale of listed equity shares held for a period of 12 (twelve) months or less, which are transferred under the Offer, will be subject to short term capital gains tax and shall be taxable at the rates prescribed in First Schedule to the Finance Act (i.e. applicable marginal tax rates applicable to different categories of persons) (plus applicable surcharge and health and education cess).

12.4.9 Taxability of capital gain arising to a non-resident in India from the transfer of equity shares shall be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act.

12.4.10 As per Section 70 of the IT Act, short-term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

12.4.11 Long-term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

#### **12.4.12 Investment Funds**

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

#### **12.4.13 Mutual Funds**

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

### **12.5 Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade)**

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

#### **a) Profit of Resident Shareholders**

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

#### **b) Profit of Non-Resident Shareholders**

- (i) Non-resident Public Shareholders can avail beneficial provisions of the applicable DTAA entered into by India with the relevant country of residence of the shareholder but subject to fulfilling relevant conditions and maintaining & providing necessary documents prescribed under the IT Act, as discussed in para 1(d) above.
- (ii) Where DTAA provisions are not applicable:
- (iii) For non-resident individuals, HUF, AOP and BOI, profits (as determined in accordance with the provisions of the IT Act) will be taxable at slab rates.
- (iv) For foreign companies, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @ 40%.
- (v) For other non-resident Public Shareholders, such as foreign firms, profits (as determined in accordance with the provisions of the IT Act) will be taxed in India @ 30%.

**12.6 THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF THE EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, THE PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER AND THE MANAGER TO THE OFFER DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.**

### **13 DOCUMENTS FOR INSPECTION**

The copies of the following documents will be available for inspection at the corporate office of the Manager to the Offer, PNB Investment Services Limited, located at PNB Pragati Towers, 2<sup>nd</sup> Floor, C-9, G- Block, Bandra Kurla Complex Bandra (E), Mumbai- 400 051, Maharashtra, India on any working day between 10:00 a.m. (Indian Standard Time) and 5:00 p.m. (Indian Standard Time) during the Tendering Period commencing from Thursday, July 27, 2023 to Thursday, August 10, 2023:

- 13.1 Memorandum and Articles of Association and Certificate of Incorporation of the Target Company.
- 13.2 Memorandum of Understanding between the Manager and the Acquirer.
- 13.3 The copy of Agreement between the Registrar and the Acquirer.
- 13.4 Audited Annual Reports for the last 3 (three) Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 of the Target Company.
- 13.5 Bank Statement received from, Axis Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to the Offer.
- 13.6 The copy of Share Purchase Agreement dated Monday, June 05, 2023, entered between the Promoters and the Acquirer, which triggered this Offer.
- 13.7 Copy of the Public Announcement dated Monday, June 05, 2023.
- 13.8 Copy of the Detailed Public Statement dated Saturday, June 10, 2023, published on behalf of the Acquirer on Monday, June 12, 2023, in the newspapers.
- 13.9 Copy of the recommendations to be published on [●], by the Committee of Independent Directors of the Target Company.
- 13.10 Copy of SEBI Observation letter bearing reference number '[●]' dated [●].
- 13.11 Escrow Agreement between Acquirer, Escrow Bank, and Manager to the Offer.

### **14 DECLARATION BY THE ACQUIRER**

For the purpose of disclosures in this Draft Letter of Offer relating to the Target Company, the Acquirer have relied on the information provided by the Target Company and has not independently verified the accuracy of details of the Target Company.

Subject to the aforesaid, the Acquirer accepts full responsibility for the information contained in this Draft Letter of Offer. The Acquirer shall be responsible for ensuring compliance with the SEBI (SAST) Regulations.

**On Behalf of the Acquirer  
Nikita D. Kothari**

**Date: June 19 2023.**

**Place: Mumbai**

Encl: Form of Acceptance-Cum-Acknowledgement

Sd/-

**FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT**

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**OFFER OPENS ON: [•]**

**OFFER CLOSES ON: [•]**

**From:**

Name:

Address:

Status: Resident/ Non Resident

**PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED**

**Corporate Identification Number:** U67120MH1993PTC074079

Unit No. 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg,

Opposite Kasturba Hospital Lane, Lower Parel (East),

Mumbai – 400 011, Maharashtra, India

**Tel. Number:** +91- 22-2301 0771/4961 4132

**E-mail Address:** support@purvashare.com

Dear Sir,

**Sub.: OPEN OFFER FOR ACQUISITION OF UP TO 10,21,540 (TEN LAKHS TWENTY-ONE THOUSAND FIVE HUNDRED AND FORTY)) FULLY PAID-UP EQUITY SHARES OF RS. 10 EACH REPRESENTING 26.00% OF EQUITY SHARE CAPITAL/VOTING CAPITAL AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER FROM THE ELIGIBLE SHAREHOLDERS OF THE SERVOTEACH INDUSTRIES LIMITED (“SIL”) FOR CASH AT A PRICE OF RE. 3.00 (RUPEE THREE ONLY) PER EQUITY SHARE (“OFFER PRICE”), BY NIKITA D. KOTHARI (“ACQUIRER”) WITH AN INTENTION TO ACQUIRE CONTROL OF THE TARGET COMPANY.**

I/We refer to the Letter of Offer dated [•] for acquiring the Equity Shares held by me/us in SIL.

I/We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood their contents including the terms and conditions and procedure as mentioned therein and unconditionally accept such terms and conditions.

I I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

**Details of Public Shareholder:**

NAME (IN BLOCK LETTERS)	Holder	Name of Public Shareholder	Permanent Account No. (PAN)
(Please write names of the joint holders in the same order as appearing in the demat account)	<b>Sole / First</b>		
	<b>Second</b>		
	<b>Third</b>		
Contact number(s) of the first holder	Tel No. with STD Code		
	Mobile no.		
Full address of the first holder (with pin code)			

Email address of the first holder	
Date and Place of incorporation (if applicable)	

## **For all Eligible Public Shareholders**

1. I / We confirm that the Offer Shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
2. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
3. I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/ our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
4. I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.
5. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
6. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer or the Seller.
7. I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
8. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LOF.
9. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.
10. I / We are / am not debarred from dealing in shares or securities.
11. I / We confirm that there are no taxes or other claims pending against me / us which may affect the legality of the transfer of Offer Shares under the Income Tax Act, including but not limited to section 281 of the Income Tax Act.
12. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
13. I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax ( including any consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and cooperate in any proceedings before any income tax / appellate authority.
14. I / We authorise the Acquirer to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted without specifying the reasons thereof.

The bank account details for the purpose of payment of consideration will be taken from the record of the depositories.

## **FOR NRIs/ OCBs/ FIIs AND SUB-ACCOUNTS/ OTHER NON-RESIDENT SHAREHOLDERS**

I/We, confirm that my/ our status as a shareholder is (√ whichever is applicable)

Individual	Foreign Company	FPI - Corporate	FPI - Others	FVCI
Foreign Trust	Private Equity Fund	Pension/ Provident Fund	Sovereign Wealth Fund	Partnership / Proprietorship Firm
Financial Institution	NRIs/PIOs-repatriable	NRIs/ PIOs - non repatriable	OCB	QFI
Insurance Company	Indian Company	Indian Trust	Others - please Specify	

I/We, confirm that my/ our investment status is (please provide supporting documents and √ whichever is applicable)

- ❖ FDI Route
- ❖ PIS Route
- ❖ Any other - please specify

In case of non-resident Public Shareholders, I/We, confirm that the Offer Shares tendered by me/ us are held on (√ whichever is applicable)

- ❖ Repatriable basis
- ❖ Non - repatriable basis

I/We, confirm that (√ whichever is applicable)

- ❖ No RBI or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Open Offer and the Offer Shares are held under general permission of the RBI.
- ❖ Copies of all approvals required by me for holding Offer Shares that have been tendered in this Open Offer are enclosed herewith.
- ❖ Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith.

I/We, confirm that (√ whichever is applicable)

- ❖ No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Open Offer.
- ❖ Copies of all approvals required by me for tendering Offer Shares in this Open Offer are enclosed herewith.

Additional confirmations and enclosures for all Public Shareholders, as applicable I / We, have enclosed the following documents (√ whichever is applicable):

- ❖ Self-attested copy of PAN card.
- ❖ Self-declaration form in Form 15 G / Form 15 H, in duplicate copy.
- ❖ Certificate from Income-tax Authorities for deduction of tax at lower or nil rate.
- ❖ For Banks, LIC, Unit Trust of India and other specified entities covered under Section 194A (3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification.
- ❖ 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.

SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.

Yours faithfully

Signed & Delivered	Full Name	PAN	Signature
Sole / First Holder			
Second Holder			
Third Holder			

Note: In case of joint holdings, all must sign. In case of body corporate, the common seal should be affixed and necessary board resolutions should be attached.

Place:

Date:

-----TEAR HE

Acknowledgement Receipt –**SERVOTEACH INDUSTRIES LIMITED**  
- Open Offer

Received from Mr./Ms./Mrs.

Form of Acceptance-cum-Acknowledgement for Servoteach Industries Limited-Open Offer as per details below:

Copy of delivery instruction to depository participant of Client ID \_\_\_\_\_ for \_\_\_\_\_ Equity Shares

Date of Receipt:

Place of Receipt: