

DETAILED PUBLIC STATEMENT IN TERMS OF REGULATIONS 13(4), 14(3) AND 15(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 TO THE EQUITY SHAREHOLDERS OF

TEJASSVI AAHARAM LIMITED

(formerly known as Sterling Spinners Limited)

Registered Office: New No. 31, 1st Floor, Lazarus Church Road, R.A Puram, Chennai, Tamil Nadu, 600028.
Tel. No.: +91 44 48573911 Email: taltdchennai@gmail.com
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Corporate Identification Number: L15549TN1994PLC028672;
Contact Person: K.S.Venugopala, Chairman cum Managing Director.

OPEN OFFER FOR ACQUISITION OF UP TO 23,80,000 (TWENTY THREE LAKHS EIGHTY THOUSAND ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH OF TEJASSVI AAHARAM LIMITED (formerly known as "Sterling Spinners Limited") ("TARGET COMPANY"), REPRESENTING 34% OF FULLY PAID-UP EQUITY SHARE CAPITAL AND VOTING CAPITAL, FROM PUBLIC SHAREHOLDERS OF THE TARGET COMPANY FOR CASH AT A PRICE OF ₹ 0.55 (PAISE FIFTY FIVE ONLY) (INCLUDING ₹ 0.05 (PAISE FIVE ONLY) TOWARDS INTEREST) PER EQUITY SHARE, BY MR. JOHN AMIRTHARAJ HENRY ("ACQUIRER 1") AND MR. G. BAKTHAVATSALU ("ACQUIRER 2") (COLLECTIVELY REFERRED TO AS "ACQUIRERS") PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED, ("SEBI (SAST) REGULATIONS") ("OFFER" OR "OPEN OFFER").

THIS DETAILED PUBLIC STATEMENT ("DPS") IS BEING ISSUED BY SAFFRON CAPITAL ADVISORS PRIVATE LIMITED, THE MANAGER TO THE OFFER ("MANAGER"), FOR AND ON BEHALF OF THE ACQUIRERS IN COMPLIANCE WITH REGULATION 13(4) OF THE SEBI (SAST) REGULATIONS, PURSUANT TO THE PUBLIC ANNOUNCEMENT ("PA") FILED WITH BSE LIMITED ("BSE") ON NOVEMBER 06, 2020 IN TERMS OF REGULATIONS 3(1) AND 4 OF THE SEBI (SAST) REGULATIONS. THE PA WAS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") AND SENT TO THE TARGET COMPANY AT ITS REGISTERED OFFICE ON NOVEMBER 06, 2020, IN TERMS OF REGULATION 14(2) OF THE SEBI (SAST) REGULATIONS.

For the purpose of this DPS, the following terms would have the meaning assigned to them herein below:

- "Equity Shares" or "Shares" shall mean the fully paid-up equity shares of face value of ₹ 10 (Rupees Ten only) each of the Target Company;
- "Public Shareholders" shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, except: (i) Acquirers and (ii) Promoter and Promoter Group;
- "Promoter and Promoter Group" shall mean (i) K.S.Venugopala, (ii) Vinodh Venugopal, (iii) Shyam Venugopal, (iv) Manoj Venugopal, (v) V. Dhanalakshmi, (vi) V. Gowripriya, (vii) S. Kousalya, (viii) Surekha Shyam Venugopal and (ix) Gopuram Enterprises Limited (Formerly Savoriti Limited);
- "Sale Shares" means 25,28,650 Equity Shares of the Target Company held by the Sellers on the SPA Date, constituting 36.12% of fully paid-up equity share capital and voting capital of the Target Company;
- "Sellers" shall mean (i) K.S.Venugopala, (ii) Vinodh Venugopal, (iii) Shyam Venugopal, (iv) Manoj Venugopal, (v) V. Dhanalakshmi, (vi) V. Gowripriya, (vii) Surekha Shyam Venugopal and (viii) Gopuram Enterprises Limited (Formerly Savoriti Limited);
- "SPA" means the share purchase agreement dated November 06, 2020 executed between the Acquirers and the Sellers, pursuant to which the Acquirers have agreed to acquire the Sale Shares at a price of ₹ 0.34 (Paise Thirty Four only) per Equity Share;
- "SPA Date" means the execution date of the SPA;
- "Tendering Period" means the period of 10 (ten) Working Days during which the Public Shareholders may tender their Equity Shares in acceptance of the Offer, which shall be disclosed in the Letter of Offer;
- "Voting Share Capital" means the total voting equity share capital of the Target Company on a fully diluted basis as of the 10th (tenth) Working Day from the closure of the Tendering Period of the Open Offer; and
- "Working Day" has the same meaning as ascribed to it in the SEBI (SAST) Regulations.

ACQUIRERS, SELLERS, TARGET COMPANY AND OFFER

1. INFORMATION ABOUT THE ACQUIRER 1:

- Acquirer 1, aged 55 years, s/o Mr. Henry is residing at Plot No. 38, Agni Fairy Land, ICL Home Town extension, Thudamalai, Chennai - 600 077.
- Acquirer 1 has completed his Masters of Arts from University of Madras.
- The networth of Acquirer 1 as on August 31, 2020 is ₹ 185.96 Lacs only (Rupees One Crore Eighty Five Lacs and Ninety Six Thousand only) and the same is certified by K. Subramanyan Proprietor of K. S. & Co., Chartered Accountant (Membership No.013438), Firm Registration No.: (049125), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai - 600028; Email id: ksubramanyan@yahoo.com; vide certificate dated October 20, 2020.

- Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.

- Acquirer 1 confirms that he is not categorized as a "willful defaulter" in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.

- Acquirer 1 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

- Acquirer 1 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.

- Acquirer 1 is not related to Acquirer 2.

2. INFORMATION ABOUT THE ACQUIRER 2:

- Acquirer 2, aged 55 years, s/o Mr. Subbarayalu Govindarajulu is residing at No.26, R.K.Mutt Road, Mylapore, Chennai - 600 004.
- Acquirer 2 has completed his B.Tech (Textiles) from Anna University.
- The networth of Acquirer 2 as on August 31, 2020 is ₹ 79.11 Lacs only (Rupees Seventy Nine Lacs and Eleven Thousand only) and the same is certified by K. Subramanyan Proprietor of K. S. & Co., Chartered Accountant (Membership No.013438), Firm Registration No.: (049125), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai - 600028; Email id: ksubramanyan@yahoo.com; vide certificate dated November 03, 2020.

- Acquirer 2 confirms that he has not been prohibited by SEBI from dealing in securities, in terms of the provisions of Section 11B of the SEBI Act, 1992, as amended ("SEBI Act") or under any other Regulation made under the SEBI Act.

- Acquirer 2 confirms that he is not categorized as a "willful defaulter" in terms of Regulation 2(1) (ze) of the SEBI (SAST) Regulations.

- Acquirer 2 confirms that he is not declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.

- Acquirer 2 confirms that currently there are no pending litigations pertaining to securities market where he is made party to.

- Acquirer 2 is not related to Acquirer 1.

1. INFORMATION ABOUT THE SELLERS

| Sr. No. | Name of the Sellers | Address/ Registered Office | Transaction through h SPA/ market | Details of shares/voting rights held by the Sellers | |
|--------------|--|---|-----------------------------------|---|---------------|
| | | | | Pre Transaction | % |
| | | | | Number | % |
| Seller 1 | K.S.Venugopala | Flat 9D, Tower IIB, Rani Meyyamma Towers R.A.Puram, Chennai 600028, Tamil Nadu, India | SPA | 4,31,090 | 6.16 |
| Seller 2 | Vinodh Venugopal | Plot 29, Sree Adhavan Nagar, Dindigul - Trichy NH45 Road, Seelapadi, Dindigul 624005, Tamil Nadu, India | | 1,62,515 | 2.32 |
| Seller 3 | Shyam Venugopal | Plot 29, Sree Adhavan Nagar, Dindigul - Trichy NH45 Road, Seelapadi, Dindigul 624005, Tamil Nadu, India | | 1,63,410 | 2.33 |
| Seller 4 | Manoj Venugopal | Flat 9D, Tower IIB, Rani Meyyamma Towers R.A.Puram, Chennai 600028, Tamil Nadu, India | | 1,62,810 | 2.33 |
| Seller 5 | V. Dhanalakshmi | Flat 9D, Tower IIB, Rani Meyyamma Towers R.A.Puram, Chennai 600028, Tamil Nadu, India | | 2,825 | 0.04 |
| Seller 6 | V. Gowripriya | Plot 29, Sree Adhavan Nagar, Dindigul - Trichy NH45 Road, Seelapadi, Dindigul 624005, Tamil Nadu, India | | 6,000 | 0.09 |
| Seller 7 | Surekha Shyam Venugopal | Plot 29, Sree Adhavan Nagar, Dindigul - Trichy NH45 Road, Seelapadi, Dindigul 624005, Tamil Nadu, India | | 10,00,000 | 14.29 |
| Seller 8 | Gopuram Enterprises Limited (Formerly known as Savoriti Limited) | New Door No. 31, First Floor, Lazarus Church Road, Raja Annamalaipuram, Chennai 600028 | | 6,00,000 | 8.57 |
| TOTAL | | | | 25,28,650 | 36.12% |

- Notes
- S. Kousalya, a promoter group member holding 2510 Equity Shares representing 0.04% of the total equity/voting capital of the Target Company shall not sell her shareholding to the Acquirers.
 - Post consummation of the SPA Shares, Seller 1 to Seller 8 shall not hold any Equity Shares of the Target Company. The Sellers along with S. Kousalya will be reclassified as the Target Company and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
 - Seller 8 a public limited company was incorporated under the Companies Act, 1956 on March 30, 1960. Equity shares of Seller 8 are not listed at any of the stock exchanges. The name of Seller 8 was changed to Gopuram Enterprises Limited vide Fresh Certificate of Incorporation dated February 27, 2020.
 - The Sellers do not belong to any group.
 - Sellers belong to the Promoter and Promoter Group of the Target Company
 - None of the Sellers as mentioned above have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

4. INFORMATION ABOUT THE TARGET COMPANY

- The Target Company was incorporated on September 20, 1994 under the Companies Act 1956 as "Sterling Spinners Limited" vide Certificate of Incorporation issued by Registrar of Companies, Tamil Nadu. The name of the Target Company was changed to "Tejassvi Aaharam Limited" and a fresh Certificate of Incorporation pursuant to such change in name was issued on October 16, 2015 by Registrar of Companies, Chennai, Tamil Nadu. The Company Identification Number of the Target Company is L15549TN1994PLC028672.
- The Registered Office of the Target Company is situated at New No. 31, 1st Floor, Lazarus Church Road, R.A Puram, Chennai, Tamil Nadu, 600028; Email: taltdchennai@gmail.com; Website: www.taichennai.in.
- The Equity Shares of Target Company are currently listed on BSE only having Scrip Code 531628. The ISIN of Equity Shares of Target Company is INE173E01019. (Source: www.bseindia.com)
- The objects of the Target Company as per its Memorandum of Association include:
 - To manufacture, process, prepare, preserve, can, refine, pack, bottle, buy, sell and act as a wholesalers, retailers, exporters, importers, principals and agents in food, processed foods, proteins, health foods, instant and fast foods of all kinds, spices, masalas, pickles, cereals, all forms of organic, inorganic foods and multi grains, fresh juices, squashes, ready to cook, ready to eat, pasta products and consumable provisions of every description for human consumption.
 - To purchase, produce, refine, prepare, import, export, sell and generally deal in wheat and all its bye-products, rice, pulses, grams, maize, barley, millets and all bye-products thereof and food products generally and in connection therewith, to acquire, contract hold and operate flour mills, hulling mills, Pasta manufacturing units and other food manufacturing and processing units, other mills and other works.
 - To carry on the business of Manufacturer, processors, producers, makers, importers, exporters, fabricators, buyers, sellers, suppliers, stockists, agents, merchants, distributors and concessionaries of and dealers in biscuits, cookies, bread and other bakery products, confectioneries, sweet-meats etc.

- The Target Company was engaged in the business of spinning mills. Presently there is no business activity in the Target Company.
- The Authorized Share Capital of the Target Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores) comprising of 1,00,00,000 Equity Shares of face value ₹ 10 each and 15,00,000 Non Convertible Non Cumulative Preference Shares of face value ₹ 100 each. The Issued, Subscribed and paid up Share Capital of the Target Company is ₹ 21,78,66,000 (Rupees Twenty One Crores Seventy Eight Lakhs and Sixty Six Thousand) comprising of 70,00,000 Equity Shares of face value ₹ 10 each and 14,78,660 Non Convertible Non Cumulative Preference Shares of face value ₹ 100 each.
- As on the date of this DPS, there are no outstanding partly paid up shares of the Target Company.
- The Equity Shares of the Target Company are infrequently traded on BSE within the meaning of explanation provided in Regulation 2(i) of the SEBI (SAST) Regulations. (Source: www.bseindia.com).
- The brief audited financials of the Target Company for the financial years ended March 2018, 2019 and 2020 are as under:

| Particulars | For the financial year ended March 31, | | |
|---|--|------------|------------|
| | 2020 | 2019 | 2018 |
| Total Income | 41.87 | 220.57 | 357.76 |
| Profit/(Loss) After Tax | 134.15 | (314.65) | (622.91) |
| Earnings Per Share (EPS)- Basic and Diluted (?) | 1.92 | (4.50) | (8.90) |
| Shareholders Fund | (1,732.46) | (3,348.42) | (3,030.61) |

5. DETAILS OF THE OFFER

- This Offer is being made to all the equity shareholders of Target Company other than Acquirers and Promoter Group of the Target Company to acquire up to 23,80,000 (Twenty Three Lakhs Eighty Thousand only) fully paid Equity Shares of the Target Company, of face value ₹ 10 each ("Offer Shares") representing 34% (Thirty Four per cent) of fully paid-up equity share capital and voting capital of the Target Company, at a price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per Equity Share ("Offer Price"), aggregating to ₹ 13,08,000 (Rupees Thirteen Lakhs Nine Thousand only). ("Offer Size")
- The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- This Offer is not conditional on any minimum level of acceptance and is not a competing offer in terms of Regulations 19 and 20 respectively of the SEBI (SAST) Regulations.
- There are no conditions as stipulated in the SPA, the meeting of which would be outside the reasonable control of the Acquirers, and in view of which the Offer might be withdrawn under Regulation 23(1) of the SEBI (SAST) Regulations.
- The Equity Shares of the Target Company will be acquired by the Acquirers as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- To the best of the knowledge and belief of the Acquirers, as on the date of this DPS, there are no statutory or other approvals required to implement the Offer other than as indicated in section VI of this DPS. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event such statutory approvals are refused in terms of Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal, a public announcement will be made within two working days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
- The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of appointment as Manager to the Offer and as on the date of this DPS. The Manager to the Offer further declares and undertakes that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Offer.
- The Acquirers do not have any plans to alienate any significant assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business. The Target Company's future policy for disposal of its assets, if any, within two years from the completion of Offer will be decided by its board of directors, subject to the applicable provisions of the law and subject to the approval of the shareholders through special resolution passed by way of postal ballot in terms of Regulation 25(2) of SEBI (SAST) Regulations.
- To the extent the post offer holding of the Acquirers, exceeds the maximum permissible non-public shareholding in terms of Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI LODR, Regulations") read with Securities Contract (Regulation) Rules, 1957, and subsequent amendments thereto ("SCRR"), the Acquirers undertake to reduce their shareholding to the level stipulated in the SCRR within the time and in the manner specified in the SCRR and SEBI LODR Regulations.
- If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

II. BACKGROUND TO THE OFFER

- This Open Offer is being made pursuant to the SPA and market purchase in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations as a result of a direct substantial acquisition of Equity Shares and voting rights of the Target Company by the Acquirers.
- On November 06, 2020, the Acquirers have entered into a SPA with Sellers to acquire 25,28,650 (Twenty Five Lakhs Twenty Eight Thousand Six Hundred and Fifty) Equity Shares ("SPA Shares") representing 36.12% of fully paid-up equity share capital and voting capital of the Target Company, at a price of ₹ 0.34 (Paise Thirty Four only) per Equity Share of the Target Company aggregating to ₹ 8,59,741/- (Rupees Eight Lakhs Fifty Nine Thousand Seven Hundred Forty One only) payable in cash as below.

Salient features of SPA:

- In the event of non-compliance of any provisions of the SEBI (SAST) Regulations, the SPA shall not be acted upon by the SPA Sellers or Acquirers.
- Subject to shareholders approval, the Sellers shall, post completion of takeover formalities, relinquish the management control in favour of the Acquirers
- For some of the above terms more specifically defined in the SPA and other details of SPA, Public Shareholders of the Target Company may refer SPA, which would be available to them for inspection during the Tendering Period at the office of the Manager to the Offer.
- This mandatory Offer is being made by the Acquirers, in compliance with Regulations 3(1) & 4 and other applicable provisions of the SEBI (SAST) Regulations.
- The primary objective of the Acquirers for the above mentioned acquisition is substantial acquisition of shares and voting rights in the Target Company and management control of the Target Company. Acquirers do not have any plan to make major changes in existing line of business of the Target Company.

III. SHAREHOLDING AND ACQUISITION DETAILS

- The current and proposed equity shareholding of the Acquirers in the Target Company and the details of the acquisition are as follows:

| Details | Acquirer 1 | | Acquirer 2 | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Number of Equity Shares and (%) | Number of Equity Shares and (%) | Number of Equity Shares and (%) | Number of Equity Shares and (%) |
| Shareholding as on the PA date | NIL | NIL | NIL | NIL |
| Equity Shares acquired through SPA | 25,28,660 (36.12%) | | | |
| Shares acquired between the PA date and the DPS date | NIL | NIL | | |
| Equity Shares proposed to be acquired in the Offer (assuming full acceptance) | 23,80,000 (34.00%) | | | |
| Post Offer Shareholding on diluted basis on 10th working day after closing of Tendering period | 49,08,660 (70.12%) | | | |

IV. OFFER PRICE

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

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

(Source: www.bseindia.com)

- Based on the information provided in point above, the equity shares of the Target Company are infrequently traded on the BSE within the meaning of explanation provided in Regulation 2(1)(i) of the SEBI (SAST) Regulations.
- The Offer Price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, being the highest of the following:

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

* Mr. Sanka Hari Surya IIBBI Registered Valuer (Registration No: IIBBI/RV/07/2019/12576) having office at Shree Mahavir Sadhana CHS, D-602, Plot No. 18 EFG, Sector-14, Navi Mumbai, Sanpada - 400705; Email id: ca.harisurya@gmail.com, vide certificate dated November 6, 2020, has certified that he has in terms of Supreme Court decision in the case of Hindustan Lever Employee Union V/s. Hindustan Lever Limited (1995) (83 Companies Cases 30), considered the (i) Net Assets Value ("NAV") Method and (ii) Comparables Multiples Method and accorded weight of 50% to NAV and 50% to Comparables Method for the purpose of arriving at the fair value for the Equity Shares of the Target Company. As per the certification given, the Fair Value has been arrived at (₹ 29.68) per Equity Share.

- *For calculation of net worth only equity share capital and reserves and surplus are considered, preference share capital was excluded, as this valuation is for the purpose of the equity shareholders of the company.
- In the month of March 2020, K.S.Venugopala ("Transferor"), one of the Promoters of the Target Company transferred 10,00,000 equity shares representing 14.29% of the paid up capital of the Target Company to his daughter-in-law, Surekha Shyam Venugopal ("Transferee"). The said transfer was not eligible for exemption under Regulation 10 of the SEBI (SAST) Regulations and thus was in breach of Regulation 3(2) of the SEBI (SAST) Regulations. The Transferee was under obligation to make offer to the Public Shareholders of the Target Company pursuant to acquisition of the said equity shares.
- Since the fair market value of the equity shares of the Target Company is negative and the equity shares of the Target Company have not been quoted on BSE since the year 1999, the Acquirers have offered simple interest @ 10% p.a. on the Offer Price, i.e., ₹ 0.05 (Paise Five only) per equity share to the Public Shareholders.
- In view of the above parameters considered and in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹ 0.55 (Paise Fifty Five only) (including ₹ 0.05 (Paise Five only) towards interest) per equity share is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- There have been no corporate actions undertaken by the Target Company warranting adjustment of any of the relevant price parameters.
- There has been no revision in the Offer Price or to the size of this Offer as on the date of this DPS.

- An upward revision in the Offer Price or to the size of this Offer, if any, on account of competing offers or otherwise, will be done at any time prior to the commencement of the last one working day before the commencement of the tendering period of this Offer in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts, as more particularly set out in paragraphs V of this DPS; (ii) make a public announcement in the same newspapers in which this DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company at its registered office of such revision.

V. FINANCIAL ARRANGEMENTS

- Assuming full acceptance, the total funds requirement to meet this Offer is ₹ 13,09,000 (Rupees Thirteen Lakhs Nine Thousand only).
- The liquid assets of Acquirer 1 as on August 31, 2020 is ₹ 31.34 Lacs (Rupees Thirty One Lacs and Thirty Four Thousand Only) and the same is certified by K. Subramanyan Proprietor of K. S. & Co., Chartered Accountant (Membership No.13438), Firm Registration No.: (049125) having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai - 600028; Email id: ksubramanyan@yahoo.com; vide certificate dated October 20, 2020.
- The liquid assets of Acquirer 2 as on October 09, 2020 is ₹ 32.80 Lacs (Rupees Thirty Two Lacs and Eighty Thousand Only) and the same is certified by K. Subramanyan Proprietor of K. S. & Co., Chartered Accountant (Membership No.013438), Firm Registration No.: (049125), having office at New no. 23, 5th Main Road, Raja Annamalai Puram, Chennai - 600028; Email id: ksubramanyan@yahoo.com; vide certificate dated November 03, 2020.
- In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirers have opened an escrow cash account bearing Account No. 000405124435 ("Escrow Cash Account") with ICICI Bank Limited, a banking company duly incorporated under the Companies Act, 1956 and registered as a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at ICICI Bank Tower, Near Chakki Circle, Old Padra Road, Vadodra, 390 007, Gujarat, India and acting for the purpose of this agreement through its branch situated at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistri Bhavan, Dinshaw Vachra Road, Backbay Reclamation, Churhgate, Mumbai - 400020 and have made a cash deposit of ₹ 13,09,000/- (Rupees Thirteen Lakhs Nine Thousand only) in the Escrow Cash Account. The cash deposited in Escrow Cash Account represents 100% of the total consideration payable to the Equity Shareholders under this Offer. The Acquirers have empowered the Manager to the Offer to operate and to realize the value of the Escrow Cash Account in terms of the SEBI (SAST) Regulations.
- The Acquirers have confirmed that they have adequate financial resources to meet their obligations under the Open Offer and have made financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations.
- In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- Based on the above, Saffron Capital Advisors Private Limited, Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to implement the Open Offer in full accordance with the SEBI (SAST) Regulations.

VI. STATUTORY AND OTHER APPROVALS

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

VII. TENTATIVE SCHEDULE OF ACTIVITY

| Activity | Day and Date |
|---|---------------------------|
| Public Announcement (PA) | Friday, November 06, 2020 |
| Publication of DPS in the newspapers | Friday, November 13, 2020 |
| Filing of the draft letter of offer with SEBI | Monday, November 23, 2020 |
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