

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 Kinetic Trust Limited (hereinafter referred to as "Target" or "Target Company" or "KTL"). If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Draft Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

Open Offer By

Sandeep Garg ("Acquirer 1")

Address: A-1/15, Varun Apartments, Sector-9, Rohini, Delhi-110085

Email Id: sgarg0811@gmail.com

And

Mallika Aggarwal ("Acquirer 2")

Address: A-1/15, Varun Apartment, Sector-9, Rohini, Delhi-110085

Email Id: aggarwalmallika22@gmail.com

(Acquirer 1 and Acquirer 2 are hereinafter collectively referred to as "Acquirers")

And

Sequence Builders Private Limited ("PAC")

having its registered office at 116, Ring Road Mall, 21 Mangalam Place, Sector-3, Rohini, New Delhi-110085

Email Id: sgarg0811@gmail.com

(hereinafter referred to as the "PAC")

to the shareholder(s) of

Kinetic Trust Limited

Registered office: 527 R, City Tower, 2nd Floor, Model Town, Ludhiana Punjab-141002

Telephone No.: +91 9873220600, **Email ID:** info@ktl.co.in, **Website:** www.ktl.co.in

To acquire upto 8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) Equity Shares of the face value of ₹10 each ("Offer Shares"), representing in aggregate 26% of voting share capital of the Target Company at a price of ₹20/- (Rupees Twenty Only) per fully paid-up Equity Share ("Offer price"), payable in cash.

Please Note:

1. This Offer is being made by the Acquirers along with PAC pursuant to regulation 3(1) and regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("SEBI (SAST) Regulations").
2. This Open Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of SEBI (SAST) Regulations.
3. This Open Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
4. As on date of this Draft Letter of Offer, to the best of the knowledge and belief of the Acquirers along with PAC except of being in receipt of necessary approval from Reserve Bank of India ("RBI"), inter-alia for change in control and management of the Target Company in pursuance of this Offer and purchase of Equity Shares pursuant to the Share Purchase Agreement (term defined below) and there are no statutory or other approvals required by the acquirers along with the PAC pursuant to this open offer. However, in case any statutory approval(s) is required or become applicable at a later date prior to completion of the Offer, this Offer would be subject to the receipt of such approval(s) and necessary applications for such approvals shall be made. For more details regarding the statutory and other approvals for this Offer, please refer to the paragraph 7.3 on page no. 24 this Draft Letter of Offer.
5. There has been no Competing Offer as on the date of this Draft Letter of Offer.
6. If there is any upward revision in the Offer Price/Offer Size by the Acquirers and the PAC at any time up to 1 (One) Working Day prior to the commencement of the Tendering Period i.e. up to Wednesday, May 22, 2024 or in the case of withdrawal of offer, the same would be informed by way of the Public Announcement in the same newspapers where the original Detailed Public Statement has appeared. Such revision in the Offer Price would be payable by the Acquirers along with the PAC for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer.
7. A copy of the Public Announcement, the Detailed Public Statement, Draft Letter of Offer and Letter of Offer (including Form of Acceptance cum Acknowledgment) are also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER



FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED

SEBI Registration No.: INM000012944

Regd. Off.: 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1 Extension, Delhi -110091

Tel No.: +91-11- 48016991;

Contact Person: Mr. Amit Puri

E-mail: info@fintellectualadvisors.com

Website: - www.fintellectualadvisors.com

REGISTRAR TO THE OFFER



SKYLINE FINANCIAL SERVICES PRIVATE LIMITED

SEBI Registration No.: INR000003241

Regd. Off.: D-153A, 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110020

Tel No.: 011-40450193-97

Contact Person: Mr. Alok Gautam

Email id.: compliances@skylinerta.com

Website: www.skylinerta.com

Offer Opening Date

[●]

Offer Closing Date

[●]

SCHEDULE OF THE ACTIVITIES PERTAINING TO THE OFFER

Tentative Schedule of Activities	Day and Date*
Date of the Public Announcement	Wednesday, March 27, 2024
Date of publication of the Detailed Public Statement	Thursday, April 04, 2024
Last date of filing of the draft Letter of Offer with SEBI	Monday, April 15, 2024
Last date for a Competing Offer	Tuesday, April 30, 2024
Identified Date#	Friday, May 10, 2024
Last date by which Letter of Offer will be dispatched to the Shareholders	Friday, May 17, 2024
Last date by which an independent committee of the Board of Target Company shall give its recommendation	Tuesday, May 21, 2024
Last date for revising the Offer Price/ Offer Size	Wednesday, May 22, 2024
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspaper	Friday, May 24, 2024
Date of commencement of tendering period (Offer Opening Date)	Monday, May 27, 2024
Date of expiry of tendering period (Offer Closing Date)	Friday, June 07, 2024
Date by which all requirements including payment of consideration would be completed	Monday, June 24, 2024

Notes:

* The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and are subject to receipt of relevant approvals from various regulatory authorities and may have to be revised accordingly throughout this document.

Identified Date is only for the purpose of determining the names of the shareholders 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 Acquirers, PAC and the parties to the Share Purchase Agreement) are eligible to participate in the Offer any time before the closure of the Offer.

RISK FACTORS**RISKS RELATED TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND THE PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS AND THE PAC****(A) Risk relating to the Underlying transaction.**

- To the best of knowledge of the Acquirers and the PAC, no statutory approvals are required except that of the Reserve Bank of India. However, if any other statutory approvals that may become applicable prior to completion of this Offer at a later date. The Acquirers and the PAC reserves the right to withdraw the offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011 in the event the requisite statutory approvals for the purpose of this offer or those that may be necessary at a later date are refused.
- The consummation of the Underlying Transaction and the Open Offer is subject to the receipt of all required Statutory Approvals and satisfaction of certain conditions precedent specified in the Share Purchase Agreement as set out below of this Draft Letter of Offer (unless waived in accordance with the Share Purchase Agreement). In case any statutory approval or other governmental approval that may be required by the Acquirers and the PAC, is not received in time, SEBI may, if satisfied, grant an extension of time to the Acquirers and the PAC for making payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest, if any, in accordance with the SEBI (SAST) Regulations. In addition, where any statutory approval extends to some but not all of the Public Shareholders, the Acquirers along with the PAC will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer. Further, if delay occurs on account of wilful default by the Acquirers and the PAC 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.

(B) Risk relating to the Offer.

- This Offer is subject to receiving of approval of RBI with respect to Takeover, Acquisition of control and change in shareholding of the Target Company pursuant to Master Direction - Non-Banking Financial Company – Non Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016, bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016. In terms of Regulation 23 of SEBI (SAST) Regulations, the Open Offer may be delayed or withdrawn in case if there is any delay in RBI approval or rejected.
- In the event that either:
 - the statutory or regulatory approval(s) including the prior approval from the RBI, are not received in a timely manner; or
 - there is any court or regulatory order to stay on this offer; or
 - SEBI instructs Acquirers and the PAC not to proceed with the Offer,
then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the shareholders of Kinetic Trust Limited, whose shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers and the PAC, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers and the PAC for payment of consideration to the shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.
- In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis and there is no certainty that all the equity shares tendered by the Public Shareholders in the Offer will be accepted.

4. The Acquirers and the PAC make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer. It is understood that the shareholders will be solely responsible for their decisions regarding their participation in this Offer. Equity Shares, once tendered through the Form of Acceptance-cum-Acknowledgement in the Offer, cannot be withdrawn by the Eligible Shareholders, even if the acceptance of Equity Shares under the Offer and dispatch of consideration are delayed.
5. The tendered physical shares and the documents would be held in trust by the Clearing Corporation / Registrar to the Offer until the completion of Offer formalities and the shareholders who will tender their equity shares would not be able to trade such equity shares during such period. The Acquirers, PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the Draft Letter of Offer (DLOO)/ Detailed Public Statement (DPS)/ Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his / her / its own risk. The Acquirers, PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Draft Letter of Offer/Detailed Public Statement/Public Announcement/ advertisements or any materials issued by or at the instance of the Acquirers and the PAC. Anyone placing reliance on any other source of information (not released by the Acquirers or the Manager to the Offer) will be doing so at his/her/their own risk.
6. This Draft Letter of Offer has not been filed, registered with or approved in any jurisdiction outside India. Recipients of the Draft Letter of Offer who resident in jurisdictions outside India are should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirers along with the PAC or the Manager to the Offer to any new or additional registration/approval requirements. The eligible shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, and the appropriate course of action that they should take. The Acquirers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
7. The shareholders should note that, under SEBI (SAST) Regulations, 2011, once the Shareholders have tendered their Equity Shares, they will not be able to withdraw their Equity Shares from the Offer during the Tendering Period even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the payment of consideration.

(C) Probable risk involved in associating with the Acquirers and the PAC.

1. The Acquirers and the PAC makes no assurance with respect to the financial performance of the Target Company and disclaims any responsibility with respect to any decision taken by the Shareholders on whether or not to participate in the Offer. The Acquirers and the PAC make no assurance with respect to their investment/disinvestment decisions relating to their proposed shareholding in the Target Company.
2. The Acquirers and the PAC do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
3. The Acquirers and the PAC do not accept any responsibility for statements made otherwise than in the Draft Letter of Offer (DLOF)/Detailed Public Statement (DPS)/Public Announcement (PA) and anyone placing reliance on any other sources of information (not released by the Acquirers) would be doing so at his/her/its own risk.
4. The Acquirers and the PAC do not accept the responsibility with respect to the information contained in the PA or DPS or DLOF that pertains to the Target Company and has been obtained from publicly available resources or from the Target Company.

The risk factors set forth above, pertaining to the Offer and 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 shareholder in the Offer. Shareholders of Target Company are advised to consult their Stock Brokers or Investment Consultants, if any, for analyzing all the risks with respect to their participation in the Offer.

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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 “Lakh” 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.

1. DEFINITIONS

Acquirer 1	Mr. Sandeep Garg, Son of Shri Som Prakash Garg, aged 54 years, Indian Inhabitant having PAN: AGHPG8760G under the Income Tax Act, 1961 and residing at A-1/15, Varun Apartments, Sector-9, Rohini, Delhi-110085.
Acquirer 2	Mrs. Mallika Aggarwal, Daughter of Shri Om Parkash Aggarwal, aged 47 years, Indian Inhabitant having PAN: AIRPA9188J under the Income Tax Act, 1961 and residing at A-1/15, Varun Apartment, Sector-9, Rohini, Delhi-110085.
Acquirers	Acquirer 1 and Acquirer 2 collectively referred to as Acquirers.
Acquisition Window	The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to this Offer shall be available on BSE Limited, in the form of a separate window.
Acquisition Window Circulars	Stock exchange mechanism as provided under SEBI (SAST) Regulations and the SEBI circulars bearing reference number 'CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015', 'CFD/DCR2/CIR/P/2016/131 dated December 09, 2016' and 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021' and on such terms and conditions as may be permitted by law from time to time.
Agreement	The Share Purchase Agreement are hereinafter referred to as the Agreement.
Board of Directors	The board means the Board of Directors of the Target Company.
BSE/ Stock Exchange	BSE Limited is the stock exchange where presently the Equity shares of the Target Company are Listed.
Date of Opening of Offer	Monday, May 27, 2024
Date of Closure of Offer	Friday, June 07, 2024
Detailed Public Statement/DPS	Detailed Public Statement dated Wednesday, April 03, 2024, made by the Manager to the Offer on behalf of the Acquirers and the PAC to the shareholders of Kinetic Trust Limited, which was published on Thursday, April 04, 2024 in all editions of Business Standard (English) and Business Standard (Hindi) and in Pratahkal (Marathi) and in Daily Suraj (Punjabi).
Draft Letter of Offer/DLOF/DLOO	The Draft Letter of Offer dated Friday, April 12, 2024, submitted to SEBI for its observations.
Depositories	CDSL and NSDL
Eligible Person(s)/Eligible Shareholder(s) for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirers, PAC and the parties to the Share Purchase Agreement) are eligible to participate in the Offer any time before the closure of the Offer.
Escrow Agreement	Escrow Agreement, dated Wednesday, March 27, 2024, entered amongst and between the Acquirers, the Escrow Banker and the Manager to the Offer.
Escrow Account	Escrow account opened on Thursday, March 28, 2024, in accordance with Regulation 17 of the SEBI (SAST) Regulations, under the name and style of “ KTL OPEN OFFER ESCROW ACCOUNT ” with Yes Bank Limited, the Escrow Banker.
Escrow Amount	The amount aggregating to ₹44,00,000 /- (Rupees Forty Four Lakhs Only) deposited on Saturday, March 30, 2024, by the Acquirers with the Escrow Banker, in accordance with the Escrow Agreement and in compliance with the provisions of Regulation 17 of the SEBI (SAST) Regulations.
Escrow Banker	Yes Bank Limited
Equity Shares	Equity Shares shall mean the fully paid-up equity shares of the face value of ₹10.00/- (Rupees Ten Only) each.
FIPB	Foreign Investment Promotion Board
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investors registered with SEBI
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
Identified Date	Identified date means the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period for the Offer, to determine the Public Shareholders to whom the Letter of Offer shall be sent. It is clarified that all the Public Shareholders (registered or unregistered) who own Equity Shares are eligible to participate in this Offer at any time before the expiry of the Tendering Period.

ISIN	International Securities Identification Number
Income Tax Act/IT Act	The Income Tax Act, 1961, as amended
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992 and/or 2015 and subsequent amendments thereof
Letter of Offer/LOO/LOF	The Letter of Offer dated [●]
Listing Regulations/LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.
Manager/Manager to the Offer/MB/Merchant Banker	Fintellectual Corporate Advisors Private Limited, the Merchant Banker appointed by the Acquirers pursuant to regulation 12 of the SEBI (SAST) Regulations.
Negotiated Price	A negotiated price of ₹3.50/- (Rupees Three and Fifty Paise Only) per Sale Share, aggregating to an amount of ₹ 82,23,862.50/- (Rupees Eighty Two Lakhs Twenty Three Thousand Eight Hundred Sixty Two and Fifty Paise Only) for the sale of 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) Equity Shares, representing 69.93% of the Voting Share Capital of the Target Company, by Promoter Sellers to the Acquirers, pursuant to the execution of the Share Purchase Agreement.
NRI	Non-Resident Indian
NBFC / NBFCs	Non- Banking Financial Company
Offer Documents	Public Announcement, Detailed Public Statement, Draft Letter of Offer, Letter of Offer, Recommendation of the Committee of the Independent Directors of the Company, Pre-Offer Cum Corrigendum to Detailed Public Statement, and Post Offer Public Announcement, and any other notices, advertisements, and corrigendum issued by or on behalf of the Manager.
Offer Period	The period from the date of entering into an agreement to acquire the Equity Shares, and Voting Share Capital in, or control over, the Target Company requiring a Public Announcement or the date on which the Public Announcement is being issued by the Acquirers and the PAC, i.e., Wednesday, March 27, 2024, and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be.
Offer Price	An offer price of ₹20/- (Rupees Twenty Only) per Offer Share. The offer price of ₹20.00/- (Rupees Twenty Only) per Equity Share has been calculated considering the interest factor at the rate of 10.00% (Ten Percent) per annum from the Financial Year 2019-2020, in accordance with the provisions of Regulation 18(11A) of the SEBI (SAST) Regulations, as an open offer had been triggered due to change in the promoter and promoter group of the Target Company, in pursuance of which a public announcement should have had been made on July 13, 2019. For further details on Offer Price, kindly refer to the Section 6 titled as 'Offer Price and Financial Arrangements' beginning on page 19 of this Letter of Offer.
Offer Shares/Offer	8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) Equity Shares, representing 26.00% (Twenty-Six Percent) of the Voting Share Capital of the Target Company.
Public Announcement/PA	Public Announcement dated Wednesday, March 27, 2024 made by the Manager to the Offer on behalf of the Acquirers.
PAC/ Persons Acting in Concert	Sequence Builders Private Limited, is a private limited company incorporated under the provisions of Companies Act, 1956, bearing Corporate Identification Number 'U74899DL1991PTC043197', having its registered office located at 116, Ring Road Mall, 21 Mangalam Place, Sector-3, Rohini, New Delhi-110085
Promoter/Promoter Group	The existing promoters of the Target Company, in accordance with the provisions of Regulations 2 (1) (s), and 2 (1) (t) of the SEBI (SAST) Regulations, read with Regulations 2 (1) (oo), and 2 (1) (pp) of the SEBI (ICDR) Regulations, in this case namely being, Mr. Rajesh Arora, Ms. Sangita Bansal, Mr. Sarbjit Singh, Mr. Ranjan Kumar, Mr. Dinesh Chandra Arya, Mr. Vikram Gupta, Mr. Anil Singh, Mr. Vinod Bansal and Master Flow Private Limited.
Promoter Sellers/ Selling Promoter Shareholder	The existing promoters of the Target Company, in accordance with the provisions of Regulations 2 (1) (s), and 2 (1) (t) of the SEBI (SAST) Regulations, read with Regulations 2 (1) (oo), and 2 (1) (pp) of the SEBI (ICDR) Regulations, in this case, namely being, Mr. Rajesh Arora, Ms. Sangita Bansal, Mr. Sarbjit Singh, Mr. Ranjan Kumar, Mr. Dinesh Chandra Arya, Mr. Vikram Gupta, Mr. Anil Singh and Master Flow Private Limited.
Public Shareholders	All the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the Acquirers and the parties to the Share Purchase Agreement, including persons deemed to be acting in concert with such parties to the Share Purchase Agreement (if any), pursuant to and in compliance with the SEBI (SAST) Regulations.

Registrar/Registrar to the Offer/RTA	Skyline Financial Services Private Limited as the Registrar to the Offer having office at D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020
Regulations/ SEBI (SAST) Regulations /SAST Regulations/Takeover Code	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.
RBI	The Reserve Bank of India
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act, 1992, and subsequent amendments thereof.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended or modified
SEBI (ICDR) Regulations, 2018	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, and subsequent amendments thereto
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
SEBI (SAST) Regulations, 2011	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto.
Share(s)	Equity Shares of Kinetic Trust Limited
Share Purchase Agreement/ SPA	The Share Purchase Agreement dated Wednesday, March 27, 2024, executed between the Acquirers and the promoter Sellers, pursuant to which the Acquirers have agreed to acquire 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) Equity Shares, representing 69.93% (Sixty Nine Point Ninety Three Percent) of the Voting Share Capital of the Target Company from the Promoter Sellers at a negotiated price of ₹3.50/- (Rupees Three and Fifty Paise Only) per Sale Share, aggregating to an amount of ₹82,23,862.50/- (Rupees Eighty Two Lakhs Twenty Three Thousand Eight Hundred Sixty Two and Fifty Paise Only).
Stock Exchange	BSE Limited, is the stock Exchanges on which the Equity Shares of the Target Company are presently listed.
Target Company/KTL	Kinetic Trust Limited a public limited Company incorporated under the provision of the Companies Act, 1956, having its registered office at 527 R, City Tower, 2nd Floor, Model Town, Ludhiana Punjab-141002 and bearing Corporate Identification Number-L67120PB1992PLC012532.
Tendering period	A period of 10 (Ten) working days period from the date of opening of offer on Monday, May 27, 2024 to closing of offer on Friday, June 07, 2024.
TRS	Transaction Registration Slip.
Underlying Transaction	The transaction for sale and purchase of the Sale Shares as contemplated under the Share Purchase Agreement.
Voting Share Capital	The fully diluted Equity Share Capital and voting share capital of the Target Company as of the 10th (Tenth) working day from the closure of the Tendering Period
Working Day	The working day shall have the meaning ascribed to it under Regulation 2(1) (zf) of the SEBI (SAST) Regulations.

Note: All terms beginning with a capital letter used in this Draft Letter of Offer, but not otherwise defined herein, shall have the meaning ascribed thereto in the SEBI (SAST) Regulations unless specified.

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF KINETIC TRUST LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE PAC OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS AND THE PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 12, 2024 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND THE PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The Offer is being made under Regulation 3(1) and Regulation 4 of SEBI (SAST) Regulations, 2011 for substantial acquisition of shares and voting rights, accompanied with a change in management control and affairs of the Target Company and the Acquirers shall become the promoters of the Target Company.

3.1.2 The Acquirers have entered into the Share Purchase Agreement ("SPA") with the promoter Sellers, on Wednesday, March 27, 2024, for acquisition of 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) fully paid up equity shares ("Sale Shares") of ₹10/- each representing 69.93% (Sixty Nine Point Ninety Three Percent) of the paid up and voting equity share capital of Target Company at a price of ₹3.50/- (Rupees Three and Fifty Paise Only) per equity share aggregating to ₹82,23,862.50/- (Rupees Eighty Two Lakhs Twenty Three Thousand Eight Hundred Sixty Two and Fifty Paise Only), payable in cash along with acquisition of control over the Target Company.

3.1.3 By the above proposed acquisition, the Acquirers will be holding substantial stake and will be in control of the Target Company pursuant to the Share Purchase Agreement (as explained in paragraphs 3.1.2 to 3.1.5 of this Section 3 (Background of the Offer) of this Draft Letter of Offer) is referred to as the "**Underlying Transaction**". Accordingly, this offer is being made in terms of regulation 3(1) and 4 and other applicable provisions of the SEBI (SAST) Regulations.

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

- i. The promoter sellers are holding 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) Equity Shares constituting 69.93% of the voting share capital of the Target Company.
- ii. The promoter sellers have agreed to sell 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) Equity Shares and the Acquirers have agreed to acquire 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) Equity Shares, constituting 69.93% of the equity share capital/voting share capital of the Target Company, at a negotiated price of ₹3.50/- (Rupees Three and Fifty Paise Only) per equity share aggregating to ₹82,23,862.50/- (Rupees Eighty Two Lakhs Twenty Three Thousand Eight Hundred Sixty Two and Fifty Paise Only), payable in accordance with terms and conditions stipulated in the Share Purchase Agreement.
- iii. The shares sold are free from all charges, encumbrances, pledges, lien, attachments, and litigations are not subjects to any lock in period.
- iv. The acquisition of said shares will be completed not later than twenty-six weeks from the expiry of the offer period and the shares would be transferred into the name of the Acquirers. The transaction of the Sale Shares will be either through the stock exchange settlement process (in term of the Regulations) or as an off-market transaction.
- v. Upon completion of acquisition of the Sale Shares of the Company and compliance of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), the Acquirers shall be replaced as the promoters of the Company and will exercise the control over the management and affairs of the Company and the Sellers shall cease to be promoters of the Target Company.

For further details of SPA, Public Shareholders of the Target Company may refer to the SPA, which would be available to them for inspection at the office of the Manager to the Offer.

3.1.5 A tabular summary of the Underlying Transaction is set out below:

S. No	Name and Address of the Promoter Sellers	Nature of Entity	Part of Promoter/Promoter group (Yes/No)	Details of Shares/ Voting Rights held by the Promoter Sellers			
				Pre-Transaction		Post Transaction	
				No. of shares	%	No. of shares	%
1	Rajesh Arora Permanent Account Number: AAEP6576B resident of Plot No: 8-C, Flat No.: C-12, IDC-CGHS, Sector-11, Dwarka, New Delhi-110075	Individual	Yes	52,925	1.58%	Nil	Nil
2	Sangita Bansal, Permanent Account Number: AALPB2684A resident of D-6/7, Vasant Vihar, New Delhi-110057	Individual	Yes	50	Negligible	Nil	Nil
3	Sarbjit Singh Permanent Account Number: BINPS6738K resident of F-55,	Individual	Yes	5,45,600	16.24%	Nil	Nil

	Harswaroop Colony, Fatehpur Beri, New Delhi-110074						
4	Ranjan Kumar Permanent Account Number: ALSPK2591B resident of C-10A, 1st Floor, Subhash Park, Uttam Nagar, New Delhi-110059	Individual	Yes	5,17,000	15.39%	Nil	Nil
5	Dinesh Chandra Arya Permanent Account Number: BHXPA8079G resident of A-27, Vipin Garden, Uttam Nagar, New Delhi-110059	Individual	Yes	3,40,000	10.12%	Nil	Nil
6	Vikram Gupta Permanent Account Number: ABWPG3484F resident of 6146/7, D-6, Vasant Kunj, New Delhi- 110070	Individual	Yes	3,30,000	9.82%	Nil	Nil
7	Anil Singh Permanent Account Number: BXNPS1065C resident of A-325, Camp No. 4, Jwalapuri, Nangloi, New Delhi-110041	Individual	Yes	2,90,100	8.63%	Nil	Nil
3	Master Flow Private Limited bearing Corporate Identification Number: U74899DL1982PTC01 3651 and Permanent Account Number: AAACM6214D having its registered Office at 1408, Vikram Tower, Rajendra Place, New Delhi- 110008	Body Corporate	Yes	2,74,000	8.15%	Nil	Nil

- 3.1.6 Pursuant to the completion of the SPA transaction and compliance of Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations"), the Acquirers shall be replaced as the promoters of the Company and will exercise the control over the management and affairs of the Company and the Promoter Sellers shall cease to be promoters of the Target Company.
- 3.1.7 Other Promoter, Mr. Vinod Bansal has passed away on May 14, 2021. His shareholding in the Company is yet to be transmitted to his legal heirs. As per Regulation 31A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post the completion of all the Open Offer formalities, name of Mr. Vinod Bansal/legal heir shall be reclassified as public shareholders.
- 3.1.8 During the Financial Year 2019-20, the present Promoter Sellers namely Mr. Ranjan Kumar, Mr. Sarbjit Singh, Mr. Dinesh Chandra Arya, Mr. Vikram Gupta and Mr. Anil Singh had been categorized as the promoter and promoter group of the Target Company. Thus, pursuant to change of management and control of the Target Company, the present Promoter Sellers were under an obligation to make a public announcement of an open offer in terms of Regulations 3 (1) and 4 of the SEBI (SAST) Regulations for acquiring Equity Shares of the Target Company from the erstwhile promoters. As no public announcement had been made by the Promoter Sellers, the offer price of ₹20.00/- (Rupees Twenty Only) per equity share has been calculated considering the interest factor at the rate of 10.00% (Ten Percent) per annum from the Financial Year 2019-2020, in accordance with the provisions of Regulation 18(11A) of the SEBI (SAST) Regulations. In this regard, SEBI may initiate appropriate action against the Promoter Sellers in terms of the SEBI (SAST) Regulations and provisions of the SEBI Act for not complying with the required provisions of Chapter V of the SEBI (SAST) Regulations.

3.1.9 The Acquirers and the PAC are making an Open Offer to acquire 8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) fully paid-up Equity Shares of ₹10/- (Rupees Ten Only) each representing 26.00% of Voting Share Capital of the Target Company, at a price of ₹20/-(Rupees Twenty only) per equity share payable in cash, subject to the terms and conditions mentioned hereinafter.

3.1.10 Apart from 23,49,675 (Twenty Three Lakhs Forty Nine Thousand Six Hundred Seventy Five) equity shares of ₹10/- each representing 69.93% of Voting Share Capital of the Target Company which the Acquirers has agreed to acquire pursuant to SPA dated Wednesday, March 27, 2024, the Acquirer 2 and the PAC holds 934 (Nine Hundred and Thirty Four) Equity Shares representing 0.028% of the fully paid-up Equity Share Capital of the Target Company, the break-up of the same is as follows:

S.no	Name of the Acquirers/PAC	No. of Equity Shares/Voting Rights held	% of Equity Shares or Voting Rights held
1.	Mallika Aggarwal (Acquirer 2)	234	0.007%
2.	Sequence Builders Private Limited (PAC)	700	0.021%
Total		934	0.028%

3.1.11 The Offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company.

3.1.12 Acquirers and the PAC are not prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.13 Based on the information available, the Acquirers and the PAC are not in the list of 'willful defaulters' issued by any bank, financial institution, or consortium thereof in accordance with guidelines on willful defaulters issued by RBI and are in compliance with Regulation 6A of SEBI (SAST) Regulations, 2011.

3.1.14 Based on the information available, the Acquirers and the PAC have not been declared as fugitive economic offenders under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018) and are in compliance with Regulation 6B of SEBI (SAST) Regulations, 2011.

3.1.15 The Acquirers may, subsequent to successful completion of this Open Offer or in accordance with regulation 22(2) of SEBI (SAST) Regulations, reconstitute the Board of Directors of the Target Company. As of date, the Acquirers have not decided on the names of persons who may be appointed on the Board of Directors of the Target Company.

3.1.16 The recommendation of the committee of Independent Directors as constituted by the Board of Directors of the Target Company on the Offer will be published at least two working days before the commencement of the tendering period, in the same newspapers where the DPS was published and a copy thereof shall be sent to SEBI, Stock Exchange and the Manager to the Offer and in case of a competing offer(s) to the manager(s) to the open offer for every competing offer.

3.2 Details of the Proposed Offer

3.2.1 In accordance with Regulations 13(1) and 15(1) of SEBI (SAST) Regulations, 2011, the PA was issued on Wednesday, March 27, 2024 by the Manager to the Offer for and on behalf of the Acquirers and the PAC. A copy of the said Public Announcement was filed with BSE, SEBI and sent to the Target Company on Wednesday, March 27, 2024.

3.2.2 In accordance with regulation 13(4) of the SEBI (SAST) Regulations, the Acquirers and the PAC have made a Detailed Public Statement within 5 (five) working days from the date of Public Announcement. In accordance with regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement has been published in the following newspapers:

Name of the Newspaper	Edition	Date
Business Standard (English)	All Editions	Thursday, April 04, 2024
Business Standard (Hindi)	All Editions	Thursday, April 04, 2024
Pratahkal (Marathi)	Mumbai	Thursday, April 04, 2024
Daily Suraj (Punjabi)	Ludhiana	Thursday, April 04, 2024

3.2.3 A copy of the Detailed Public Statement has been filed with BSE and sent to SEBI and the Target Company on Thursday, April 04, 2024. A copy of DPS is also available on the SEBI website at www.sebi.gov.in, BSE website at www.bseindia.com and on the website of the Manager to the Offer at www.fintellectualadvisors.com.

3.2.4 The Acquirers and the PAC hereby proposed to acquire up to 8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) equity shares of face value of ₹10/- (Rupees Ten Only) each ("Offer Shares"), representing 26% of the Paid-up Share Capital of the Target Company ("Offer Size") at a price of ₹20/- (Rupees Twenty Only) per fully paid up equity share ("Offer Price"), payable in cash.

- 3.2.5 All the shares of the Target Company are fully paid up and there are no partly paid up shares in the Target Company. There is no differential pricing in the Offer.
- 3.2.6 This is not a competing Offer in terms of regulation 20 of the SEBI (SAST) Regulations and there has been no competing offer as on the date of this Draft Letter of Offer.
- 3.2.7 This Offer is not conditional upon any minimum level of acceptance in terms of regulation 19 of the SEBI (SAST) Regulations.
- 3.2.8 The Acquirers and the PAC will acquire upto 8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) equity shares that are validly tendered in accordance with the terms of the Offer at the offer price. In the event the equity shares tendered in the Offer are more than the equity shares proposed to be acquired under the Offer, the acquisition of equity shares from the eligible shareholders will be on a proportionate basis, as detailed in paragraph 8 of this Draft Letter of Offer.
- 3.2.9 The entire equity shares proposed to be acquired under this Offer will be acquired by the Acquirers and the PAC and no other persons / entities propose to participate in the acquisition.
- 3.2.10 The equity shares of the Target Company will be acquired by the Acquirers and the PAC are free from all liens, charges and encumbrances together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.11 The Acquirers and the PAC have not acquired any shares of the Target Company from the date of the PA i.e. Wednesday, March 27, 2024 upto the date of this Draft Letter of Offer.
- 3.2.12 Pursuant to Regulation 12 of the SEBI (SAST) Regulations, the Acquirers have appointed Fintellectual Corporate Advisors Private Limited as the Manager to the Offer.
- 3.2.13 As on the date of this Draft Letter of Offer, the Manager to the Offer, Fintellectual Corporate Advisors Private Limited, does not hold any Equity Shares in the Target Company. Further, the Manager to the Offer is not related to the Acquirers, PAC and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.14 There are no directions subsisting or proceedings pending against the Manager to the Offer under SEBI Act and regulations made thereunder. There are no penalties levied by SEBI / RBI or any other regulator against the Manager to the Offer.
- 3.2.15 As per Regulation 38 of SEBI (LODR) Regulations, 2015 read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended ('SCRR'), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. Pursuant to the completion of this Offer, the Public Shareholding in the Target Company may fall below the minimum level required as per Rule 19A of the SCRR. Acquirers and the PAC hereby undertakes to reduce their shareholding to the level stipulated in the SCRR and within the time specified therein and through permitted routes available under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any other such routes as may be approved by SEBI from time to time.

3.3 **Object of the Acquisition/Offer**

- 3.3.1 The prime object of this Offer is to acquire substantial acquisition of Equity Shares and voting rights accompanied with the change in control and management of the Target Company.
- 3.3.2 The Acquirer's and the PAC objective and intent for acquiring substantial acquisition and control of the Target Company is primarily to revive the business performance and to strengthen the competence of the Target Company with its experience and expertise. The Acquirers and the PAC will continue the existing line of business of the Target Company and may diversify its business activities in future only with the prior approval of shareholders. However, depending on the requirements and expediency of the business situation and subject to the provisions of the Companies Act, 2013, Memorandum and Articles of Association of the Target Company and all applicable laws, rules and regulations, the Board of Directors of the Target Company will take appropriate business decisions from time to time in order to improve the performance of the Target Company. The Acquirers and the PAC cannot ascertain the repercussions, if any, on the employees and locations of the business place of Target Company.
- 3.3.3 At Present, the Acquirers and the PAC do not have any intention 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 of the Target Company. The Target Company's future policy for disposal of its assets, if any, for 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.

3.3.4 Pursuant to this Offer and the transactions contemplated in the Share Purchase Agreement, the Acquirers and the PAC shall become the Promoters and Promoter Group 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 ACQUIRERS

4.1 Information about the Acquirers: Mr. Sandeep Garg (Acquirer 1)

- i. Nature of Entity: Individual
- ii. Mr. Sandeep Garg, Son of Shri Som Prakash Garg, aged 54 years, Indian Inhabitant having PAN: AGHPG8760G under the Income Tax Act, 1961 and residing at A-1/15, Varun Apartments, Sector-9, Rohini, Delhi-110085. His email id is sgarg0811@gmail.com.
- iii. Mr. Sandeep Garg is a qualified Chartered Accountant. He has more than 15 Years of experience in the field of Finance & Accounts.
- iv. Mr. Sandeep Garg does not belong to any group.
- v. As on the date of this Draft Letter of Offer, Mr. Sandeep Garg is not acting as Whole Time Director in any public limited company and is not on the Board of any listed company.
- vi. As on the date of this Draft Letter of Offer, Mr. Sandeep Garg does not hold of equity share capital/Voting Share Capital of the Target Company.
- vii. Mr. Sandeep Garg has not been prohibited by the SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the "SEBI Act") or any other regulations made under the SEBI Act.
- viii. Mr. Sandeep Garg is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India ("RBI"), in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- ix. Mr. Sandeep Garg is not categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- x. Mr. Sandeep Garg undertakes that he will not sell any Equity Shares of the Target Company, held and acquired, if any, during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- xi. Mr. Sandeep Garg has not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.
- xii. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to Mr. Sandeep Garg as he does not hold any shares in the Target Company.
- xiii. The Net Worth of Mr. Sandeep Garg as on March 26, 2024, is ₹ 13,49,62,211 (Thirteen Crore Forty Nine Lakh Sixty Two Thousand Two Hundred Eleven Only) as certified bearing unique document identification number '24085615BKBOF1650' on March 27, 2024, by Chartered Accountant, Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034 with contact details being '91-9810282061', and E-mail Address being 'scg171@gmail.com'.

4.2 Information about the Acquirers: Mrs. Mallika Aggarwal (Acquirer 2)

- i. Nature of Entity: Individual
- ii. Mrs. Mallika Aggarwal, Daughter of Shri Om Parkash Aggarwal, aged 47 years, Indian Inhabitant having PAN: AIRPA9188J under the Income Tax Act, 1961 and residing at A-1/15, Varun Apartment, Sector-9, Rohini, Delhi-110085. Her email id is aggarwalmallika22@gmail.com.
- iii. Mrs. Mallika Aggarwal holds a degree of Master of Science in Statistics from Punjab University, Chandigarh. She has done PhD (Management) from Indian Institute of Foreign Trade New Delhi and has more than 10 years of experience of teaching statistics, quantitative techniques, business statistics, operations and research experience in green supply chain management with two research papers to her credit.
- iv. Mrs. Mallika Aggarwal does not belong to any group.

- v. As on the date of this Draft Letter of Offer, Mrs. Mallika Aggarwal is not acting as Whole Time Director in any public limited company and is not on the Board of any listed company.
- vi. As on the date of this Draft Letter of Offer, Mrs. Mallika Aggarwal holds 234 shares representing 0.007% of equity share capital/Voting Share Capital of the Target Company.
- vii. Mrs. Mallika Aggarwal has not been prohibited by the SEBI, from dealing in securities, in terms of directions issued by SEBI under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the "SEBI Act") or any other regulations made under the SEBI Act.
- viii. Mrs. Mallika Aggarwal is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India ("RBI"), in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- ix. Mrs. Mallika Aggarwal is not categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- x. Mrs. Mallika Aggarwal undertakes that she will not sell any Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- xi. Mrs. Mallika Aggarwal has not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.
- xii. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to Mrs. Mallika Aggarwal as her shareholding is within the threshold limit prescribed under SEBI (SAST) Regulations, 2011.
- xiii. The Net Worth of Mrs. Mallika Aggarwal as on March 26, 2024, is ₹ 3,11,83,657 (Three Crore Eleven Lakh Eighty Three Thousand Six Hundred Fifty Seven Only) as certified bearing unique document identification number '24085615BKBOFJ1845' on March 27, 2024, by Chartered Accountant, Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034 with contact details being '91-9810282061', and E-mail Address being 'scg171@gmail.com'.

4.3 Information about the PAC: Sequence Builders Private Limited

- i. The name of PAC is Sequence Builders Private Limited (hereinafter referred to as "SBPL or the PAC").
- ii. Sequence Builders Private Limited is a Private Limited Company, having its registered office at 116, Ring Road Mall, 21 Mangalam Place, Sector-3, Rohini, New Delhi-110085, Tel no: +91-11-42804171. SBPL does not have any subsidiary as on the date of this DPS.
- iii. Sequence Builders Private Limited was incorporated on February 22, 1991, under the Companies Act, 1956 with Registrar of Companies, NCT of Delhi & Haryana. The main objects of the SBPL are to carry on the business as owners, builders, colonisers, developers, promoters, proprietors, occupiers, lessors, civil contractors, maintainer and mortgagers of residential, commercial and industrial buildings, colonies, mills and factory's shed and building, workshop buildings, cinema house and to deal in all kinds of immovable properties whether belonging to the company or not.
- iv. The present Authorised Capital of SBPL is ₹1,00,00,000/- (Rupees One Crore Only) divided into 10,00,000 (Ten Lakh Only) equity shares of ₹10/- (Rupees Ten only) each. As on the date of this DPS, the paid-up share capital of SBPL consists of ₹ 88,00,020/- (Rupees Eighty-Eight Lakhs Twenty Only) divided into 8,80,002 (Eight Lakh Eighty Thousand Two only) fully paid up equity shares of ₹10/- each.
- v. SBPL is a Private Limited Company and is not listed on any Stock Exchange.
- vi. The Current Promoters of SBPL are Mrs. Mallika Aggarwal, Mr. Sandeep Garg and Mr. Harit Garg.
- vii. As of the date of this Draft Letter of Offer, SBPL, its directors and key employees do not have any interest in the Target Company except 700 Equity Shares representing 0.021% of equity share capital/Voting Share Capital of the Target Company and SBPL does not belong to any Group.
- viii. Brief details of the board of directors of SBPL are as follows:

S. No.	Name of the Director	Designation	Qualification
1.	Ms. Mallika Aggarwal (DIN: 06525402)	Director	PHD (Management)
2.	Mr. Sandeep Garg (DIN: 02241236)	Director	Chartered Accountant

- ix. Neither SBPL nor any of its Directors have been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992 ("SEBI Act") as amended or under any of the Regulations made under the SEBI Act.
- x. Neither SBPL nor any of its Directors is not categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India ("RBI"), in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
- xi. None of the directors of SBPL are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
- xii. SBPL undertakes that they will not sell any Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- xiii. SBPL has not acquired any Equity Shares from the date of Public Announcement till the date of this Draft Letter of Offer.
- xiv. The provisions of Chapter V of the SEBI (SAST) Regulations, 2011 are not applicable to SBPL as the shareholding is within the threshold limit prescribed under SEBI (SAST) Regulations, 2011.
- xv. The financial information of SBPL based on the unaudited financial statement for the nine months period ended December 31, 2023 and audited financial statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2022 are as under:

(Figures in Rupees Lakhs except where specifically stated)

Profit & Loss Statement	For 9 months	Audited Financial Statements for the		
	period ended on	Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Income from Operations	0	0	0	0
Other Income	0	0.93395	0.18000	0
Total Income	0	0.93395	0.18000	0
Total Expenditure (excluding Depreciation & Interest)	0.44326	0.69234	0.06849	0.04926
Profit before Depreciation, Interest & Tax	(0.44326)	0.24161	0.11151	(0.04926)
Depreciation	0	0	0	0
Interest	0	0	0	0
Profit before Tax & Extra Ordinary Items	(0.44326)	0.24161	0.11151	(0.04926)
Extra Ordinary Items	0	0	0	0
Profit Before Tax	(0.44326)	0.24161	0.11151	(0.04926)
Current Tax	0	0	0	0
Deferred Tax	0	0.06282	0	0
Profit After Tax	(0.44326)	0.17879	0.11151	(0.04926)

Balance Sheet Statement	For 9 months	Audited Financial Statements for the		
	period ended on	Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Sources of Funds				
Paid-up Share Capital	88.00020	88.00020	88.00020	88.00020
Reserves & Surplus (Excluding Revaluation Reserve)	136.36129	136.68930	136.51050	136.39900
Reserves set apart for disputed liabilities	0	0	0	0
Provisions	0	0	0	0
Other Non-Financial Liabilities	0	0	0	0
Other Financial Liabilities	0	0	0	0
Secured Loan	0	0	0	0
Unsecured Loan	0	0	0.321920	0.32190
Current Liabilities	50.81317	0.48782	0.73005	0.66804
Deferred Tax Liability	0	0	0	0
Total	275.17467	225.17732	225.56265	225.38914
Uses of Funds				
Net Fixed Assets	0	0	0	0
Investments- Long Term	50.01	50.01	50.01	50.01
Investment-Current	0	0	0	0
Current Assets, Loan & Advances	225.16466	175.16732	175.55265	175.37914
Other Non Financial Assets	0	0	0	0
Deferred Tax Asset (Net)	0	0	0	0s
Other Financial Assets	0	0	0	0

Balance Sheet Statement	For 9 months period ended on	Audited Financial Statements for the Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Miscellaneous expenses not written off	0	0	0	0
Total	275.17467	225.17732	225.56265	225.38914

Other Financial Data	For 9 months period ended on	Audited Financial Statements for the Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Net Worth (in Rs. Lakh)	2,24,36,149	2,24,68,950	2,24,51,070	2,24,39,920
Dividend (in %)	0	0	0	0
Earning Per Share (in Rs. per Share)	(0.03280)	0.00179	0.01200	(0.00023)
Return on Net worth (in %)	(0.2%)	0.08%	0.05%	(0.02%)
Book Value (in Rs. per Share)	25.50	25.53	25.51	25.50

(Source- As certified by Mr. Neelesh Kumar Jain (Membership No. 511815) Proprietor of M/s. Neelesh Kumar Jain, Chartered Accountants, (UDIN:24511815BKFWXQ9114) having office at 41, First Floor, Sharad Vihar, Karkarduma, Delhi – 110092, Phone No. 9818068202, Email Id: nskj.co@gmail.com, vide certificate dated March 27, 2024).

4.4 Other Information about the Acquirers and PAC:

- i. There is no agreement amongst the Acquirers and any other persons/entities, in connection with the break-up of shares to be accepted from the shares tendered in this Offer. The entire Equity Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other persons / entities propose to participate in the acquisition.
- ii. Acquirer 1 and Acquirer 2 are also related to each other as spouses. Acquirer 1 and Acquirer 2 are promoter directors in PAC and hence Acquirer 1 and Acquirer 2 and PAC are related to each other.
- iii. There are no directors representing the Acquirers and the PAC on the board of the Target Company.
- iv. As on the date of this Draft Letter of Offer, there is no Show cause notice (SCN) pending against the Acquirers and PAC.
- v. There are no directions subsisting or proceedings pending or any statutory approval pending against the Acquirers and PAC under SEBI Act, 1992 and regulations made there under, also by any other Regulator. As on date, there are no penalties levied by SEBI/RBI on the Acquirers and PAC.

5. BACKGROUND OF KINETIC TRUST LIMITED (HEREINAFTER REFERRED TO AS "TARGET" OR "TARGET COMPANY" OR "KTL"):

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

- 5.1 Kinetic Trust Limited was originally incorporated under the Companies Act, 1956 as a Public Limited Company with the name and style as "Kinetic Trust Limited" vide Certificate of Incorporation no. 16-12532 dated August 12, 1992, issued by the Registrar of Companies, Punjab, H. P. & Chandigarh.
- 5.2 The registered office of the Target Company is situated at 527 R, City Tower, 2nd Floor, Model Town, Ludhiana Punjab-141002 and corporate office at 1406, 14th Floor, Vikram Tower, Rajendra Places, New Delhi-110008 (Source: www.mca.gov.in; www.bseindia.com).
- 5.3 As on date of this Draft Letter of Offer, Target Company is engaged in the business of loans & advances, investment, and other financial activity. The Target Company is registered with Reserve Bank of India (hereinafter referred to as "RBI") as a Non-Banking Financial Company. Reserve Bank of India has granted registration vide its registration no. 06.00084 dated April 20, 1998 with a condition that the Target Company shall not accept public deposits. (Source www.ktl.co.in; Auditors' Report).
- 5.4 As on date of this Draft Letter of Offer, the Authorized Share Capital of the Company is ₹3,50,00,000/- (Rupees Three Crore Fifty Lakhs Only) divided into 35,00,000 (Thirty Five Lakhs Only) Equity Shares of ₹10/- each and the Issued, Subscribed and Paid-up Capital of the Target Company is ₹ 3,36,00,000/- (Rupees Three Crore Thirty Six Lakh Only) divided into 33,60,000 (Thirty Three Lakh Sixty Thousand Only) equity shares of ₹10/- (Indian Rupees Ten Only) each. (Source: www.mca.gov.in; www.bseindia.com).

5.5 The share capital structure of the Target Company is as under:

Paid up Equity shares of Target Company	No. of shares/ voting rights	% of shares/ voting rights
Fully Paid up Equity Shares	33,60,000	100.00
Partly Paid up Equity Shares	Nil	Nil
Total Paid up Equity Shares	33,60,000	100.00
Total voting rights in the Target Company	33,60,000	100.00

5.6 The equity shares of the Target Company are listed on BSE Limited having a Scrip Code 531274 and Symbol KINETRU. The ISIN of Equity Shares of Target Company is INE674M01019. (Source: www.bseindia.com). At present, the shares of the Target Company are not suspended for trading from BSE Limited.

5.7 Based on the information available, the Equity Shares of the Target Company are not frequently traded on BSE Limited ("BSE") (within the meaning of definition of "frequently traded shares" under clause (j) of Sub-Regulation (1) of Regulation 2 of the SEBI (SAST) Regulations).

5.8 The Target Company does not have any partly paid Equity Shares. There are no outstanding warrants or options or similar instrument, convertible into equity shares at a later stage. As on the date of this Draft Letter of Offer, there are no locked in shares in the Target Company.

5.9 Neither the Target Company nor its promoters/members of the promoter group are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and are in compliance with Regulation 6A of the SEBI (SAST) Regulations.

5.10 Neither the Target Company nor its promoters/members of the promoter group are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018), and are in compliance with Regulation 6B of the SEBI (SAST) Regulations.

5.11 As per the information and documents made available to us, the Promoter and Promoter Group of the Target Company have filed the necessary disclosures in accordance with the provisions of Chapter V of the SEBI (SAST) Regulation details are as under:

Sl. No.	Regulation/ Sub-Regulation	Financial Year	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days)	Status of compliance with Takeover Regulations
1	30 (1) and 30 (2)	2015-16	12.04.2016	-----	Not filed	Not Complied
2	30 (1) and 30 (2)	2016-17	12.04.2017	-----	Not filed	Not Complied
3	30 (1) and 30 (2)	2017-18	10.04.2018	-----	Not filed	Not Complied
4	30 (1) and 30 (2)	2018-19	09.04.2019	-----	Not filed	Not Complied
5	30 (1) and 30 (2)	2019-20	01.06.2020	-----	Not filed	Not Complied
6	31 (4)	2019-20	01.06.2020	-----	Not filed	Not Complied
7	30 (1) and 30 (2)	2020-21	12.04.2021	-----	Not filed	Not Complied
8	31 (4)	2020-21	12.04.2021	-----	Not filed	Not Complied
9	31 (4)	2021-22	11.04.2022	-----	Not filed	Not Complied
10	31 (4)	2022-23	13.04.2023	05.07.2023	83 Days	Delayed Complied
11	31 (4)	2023-24	10.04.2024	11.04.2024	1 Day	Delayed Complied
12	29 (1)	2019-20	29.05.2019	-----	Not filed	Not Complied
13	29 (2)	2019-20	29.05.2019	-----	Not filed	Not Complied
14	29 (1)	2019-20	16.07.2019	-----	Not filed	Not Complied
15	29 (2)	2019-20	16.07.2019	-----	Not filed	Not Complied

SEBI may initiate appropriate action against the promoter & promoter group entities for non-compliance with provisions of chapter V of SEBI (SAST) Regulations, 2011, wherever required.

5.12 In the Financial Year of 2019-2020, the erstwhile Promoters namely being, being DD Securities Limited, Aid Angle Finvest Private Limited, PH Builders Private Limited, Angle Finvest Private Limited, Aditya Financial Consultants Private Limited, Striker Finvest Private Limited, Sanksons Papers Private Limited, Rector Finlease & Securities Private Limited, Meena Khurana, Sanjeev Khurana, Deepak Gupta, S Khurana & Sons HUF, Naresh Wadhwa and Ritu Gupta had transferred their Equity Shares to the present Promoter Sellers Ranjan Kumar, Anil Singh, Dinesh Chandra Arya, Vikram Gupta, and Sarbjit Singh through off market transaction route. Due to the said transfer of Equity Shares of the Target Company, the present Promoter Sellers were under an obligation to make public announcement and comply with the provisions of SEBI (SAST) Regulations for the purpose of open offer, however due to the failure of making a public announcement under the provisions of SEBI (SAST) Regulations and subsequent non-compliance with the said provisions of SEBI (SAST) Regulations, SEBI may initiate appropriate action against the Promoter Sellers in terms of the SEBI (SAST) Regulations and SEBI Act for not complying with the provisions of Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

5.13 As per the information provided by the Target Company, it has complied with the provisions of SEBI (LODR) Regulations in the preceding 8 (Eight) Financial Years and no penalties had been or have been levied by the stock exchange against the Target Company and its Promoters, including existing Promoter Sellers in the preceding 8 (Eight) Financial Years, except the following instances of non-compliances mentioned hereunder:

S. No.	Competent Authority	Regulatory Charges	Date of Order	Regulatory actions	Further developments
1.	BSE	Delayed submission of statement of investor's complaint for the quarter ended 30-Jun-2020	30-Jun-20	11800	Not appearing in the list for the quarter ended 30-Sep-2020
2.	BSE	Delayed submission of shareholding pattern for the quarter ended 30-Jun-2020	30-Jun-20	21240	Not appearing in the list for the quarter ended 30-Sep-2020
3.	BSE	Delay in submission of corporate governance report u/s 27(2) of SEBI (LODR) regulations, 2015 for the quarter ended 30-Sep-2019	30-Sep-19	2360	Not appearing in the list for the quarter ended 31-December-2019
4.	BSE	Did not appoint compliance officer for the quarter ended 31-Mar-2019	31-Mar-19	106200	Not appearing in the list for the quarter ended 30-Jun-2019
5.	BSE	Delayed submission of reconciliation of share capital for the quarter ended 31-Mar-2019	31-Mar-19		Not appearing in the list for the quarter ended 30-June-2019
6.	FIU	Did not comply with PMLA and PML rules i.e. non registration of principal officer	30-Jun-18	Categorized as high risk financial institution	Not appearing in the list dated 31-Aug-2018
7.	BSE	Violated SEBI (delisting of equity shares) regulations 2009	9-May-18	Compulsory delisting from 11-may-2018 to 10-may-2028 Restrained from accessing securities market from 11-may-2018 to 10-may-2028	Direction to restrain from accessing the securities market revoked on the basis of clarification received from SEBI vide its email dated 19/07/2018
8.	BSE	Did not submit corporate governance report for the quarter ended 31-Dec-2015	31-Dec-15	Put up on BSE website for public notice	Not appearing in the list for the quarter ended 31-March-2016
9.	BSE	Did not submit shareholding pattern under provisions of clause 35 for the quarter ended 31-Dec-2015	31-Dec-15	Put up on BSE website for public notice	Not appearing in the list for the quarter ended 31-March-2016

(Source: <https://www.watchoutinvestors.com>)

- 5.14 As on the date of this Draft Letter of Offer, the Board of Directors of the Target Company comprises 05 (Five) Directors. The details of the Board of Directors are as below:

Name of Directors	DIN	Designation	Date of Appointment
Sanjeev Arora	00685837	Whole Time Director	16/05/2019
Rajesh Arora	00662396	Director	12/08/1992
Ashok Kumar Juneja	00696309	Director	31/03/1998
Vinay Bhatia	00015516	Director	16/05/2019
Parvinder Kaur	10205674	Additional Director	20/03/2024

Note: As on the date of this Letter of Offer, there are no persons representing the Acquirers including PAC on the Board of Directors of the Target Company.

- 5.15 There has been no merger, de-merger and spin off in the last three years involving the Target Company.
- 5.16 The financial information of the Target Company based on the unaudited financial statement for the nine months period ended December 31, 2023 and audited financial statements as on and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021 are as follows:

(Figures in Rupees Lakhs except where specifically stated)

Profit & Loss Statement	For 9 months period ended on	Audited Financial Statements for the Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Income from Operations	-	27.44	15.82	13.05
Other Income	0.19	16.79	10.85	-
Total Income	0.19	44.23	26.68	13.05
Total Expenditure (excluding Depreciation & Interest)	12.08	57.62	22.52	15.70
Profit before Depreciation, Interest & Tax	(11.89)	(13.39)	4.16	(2.65)
Depreciation	-	0.02	0.02	0.17
Interest	-	-	-	-
Profit before Tax & Extra Ordinary Items	(11.89)	(13.41)	4.14	(2.82)
Extra Ordinary Items	-	-	-	-
Profit Before Tax	(11.89)	(13.41)	4.14	(2.82)
Provision for Tax	-	-	-	-
Deferred Tax	-	(3.36)	0.01	0.02
Profit After Tax	(11.89)	(10.05)	4.13	(2.83)

Balance Sheet Statement	For 9 months period ended on	Audited Financial Statements for the Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Sources of Funds				
Paid-up Share Capital	336	336	336	336
Reserves & Surplus (Excluding Revaluation Reserve)	25.71	37.59	47.64	43.53
Reserves set apart for disputed liabilities	-	-	-	-
Secured Loan	-	-	-	-
Unsecured Loan	-	-	-	-
Current Liabilities	291.83	209.95	109.89	99.65
Deferred Tax Liability	-	-	0.36	0.35
Total	653.54	583.54	493.89	479.53
Uses of Funds				
Net Fixed Assets	24.32	24.32	24.33	24.35
Investments- Long Term	-	-	21	21
Investment-Current	-	-	-	-
Current Assets	627.51	557.52	449.85	435.46
Miscellaneous Expenses not written off	3.00	3.00	-	-
Total	654.83	584.84	495.18	480.81

Other Financial Data	For 9 months period ended on	Audited Financial Statements for the Financial Year ended on March 31		
	December 31, 2023	2023	2022	2021
Net Worth (in Rs. Lakh)	360	371.88	384.93	380.82
Dividend (in %)	-	-	-	-
Earning Per Share (in Rs. per Share)	0.35	0.30	0.12	0.08
Return on Net worth (in %)	(3.30)%	(2.70)%	1.07%	(0.74)%
Book Value (in Rs. per Share)	10.71	11.06	11.45	11.33

(Source- As certified by Mrs. Sunita Aggarwal (Membership No. 095196) Partner of M/s Sunita Agrawal & Co., Chartered Accountants, (UDIN:24095196BKEMLI7977) having head office at 10, Giriraj Nagar, Inside Fort, Bharatpur (Rajasthan) – 321001 and branch office at A – 160, Boulevard, Hotel Crowne Plaza, Mayur Vihar, Phase – 1, Delhi -110091, Phone No.: 05644-225679, 011-49868379, Email Id: sunitaca_97@yahoo.com, vide certificate dated March 30, 2024).

- 5.17 The pre-offer and post-offer shareholding of the Target Company (based on the issued, subscribed, and paid-up Equity Share capital and Voting Share capital), is as per the shareholding pattern filed for the quarter ending March 31, 2024, and assuming full acceptance under this Offer is as specified below:

Shareholders' Category	Shareholding & voting rights prior to the Agreement/ acquisition and Offer		Shares/ voting rights agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in open offer (Assuming full acceptances)		Shareholding / voting rights after the acquisition and offer	
	(A)		(B)		(C)		(A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement, if any	23,49,675	69.93%	(23,49,675)	(69.93%)	0	0.00	0	0.00
b. Promoters other than (a) above	50,325	1.50%	0	0	0	0.00	50,325	1.50%
Total 1 (a+b)	24,00,000	71.43%	(23,49,675)	(69.93%)	0	0.00	50,325	1.50%
(2) Acquirers and PAC								
a. Main Acquirers								
Sandeep Garg	0	0.00	17,85,575	53.15%	8,73,600	26.00%	32,23,509	95.94%
Mallika Aggarwal	234	0.01%	5,64,100	16.78%				
b. PAC								
Sequence Builders Private Limited	700	0.02%	-	-	-	-	700	0.02%
Total (2)	934	0.03%	23,49,675	69.93%	8,73,600	26.00%	32,24,209	95.96%
(3) Parties to agreement other than (1) & (2)	0	0.00	0	0.00	0	0.00	0	0.00
Total (3)	0	0.00	0	0.00	0	0.00	0	0.00
(4) Public (other than parties to agreement, Acquirers and PAC)								
a) Individuals	8,62,634	25.67%	0	0.00	(8,73,600)	26.00%	85,466	2.54%
b) Bobby Corporate	78,121	2.33%						
c) Any Others	18,311	0.54%	0	0.00				
Total (4) (a + b)	9,59,066	28.54%	0	0.00	(8,73,600)	26.00%	85,466	2.54%
Total No. of Shareholders in Public category (except the Acquirers, PAC and parties to the SPA)	1,141	-	-	-	-	-	-	-
GRAND TOTAL (1+2+3+4)	33,60,000	100.00%	0	0.00	0	0.00	33,60,000	100.00%

Notes: All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company as on date of this Draft Letter of Offer.

- 5.18 There are no directions subsisting or proceedings pending or any statutory approval pending against the Target Company, under SEBI Act, 1992 and regulations made there under, also by any other Regulator.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of offer price

6.1.1 This Open Offer is pursuant to Direct Acquisition.

6.1.2 The Equity Share Capital of the Target Company is currently listed on BSE Limited ("BSE"). Currently, the equity shares of Target Company is not suspended on BSE Limited.

6.1.3 The total trading turnover in the Equity Shares of the Target Company on the Stock Exchange based on trading volume during the twelve calendar months prior to the month of Public Announcement (i.e., from March 01, 2023 to February 29, 2024) is as under:

Name of the Stock Exchange	Total No. of Equity Shares traded during the Twelve months prior to the month of PA	Total No. of Equity Shares listed	Total Trading Turnover (as % of total Equity Shares listed)
BSE Limited	25,322	33,60,000	0.75%

6.1.4 Based on the above information available on the website of BSE, Equity Shares of Target Company are not frequently traded on the Stock Exchange within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.5 The Offer Price of ₹20/- (Rupees Twenty 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:

S. No.	Particulars	Price (In ₹) as on 31.12.2023	Price (In ₹) as on 31.03.2019
A	Negotiated Price per Equity Share under the Share Purchase Agreement attracting the obligation to make a Public Announcement of an open offer;	₹3.50 per share	Not Applicable
B	The volume-weighted average price paid or payable for acquisition by the Acquirers during 52 weeks immediately preceding the date of PA	Not Applicable	Not Applicable
C	Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA	Not Applicable	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, provided such shares are frequently traded	Not Applicable, as the equity shares are not frequently traded	Not Applicable, as the equity shares are not frequently traded
E	Where the shares are not frequently traded, the price determined by the acquirers and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies;	₹9.18 per share*	₹9.04 per Share**

*IBBI Registered Valuer Mr. Hitesh Jhamb, bearing IBBI Registered Valuer Registration number 'IBBI/RV/11/2019/12355' and having his office at 116, FF, L-1 Tower, Cloud 9, Sector-1, Vaishali-201010 with the Email address being 'jassociates.cs@gmail.com', dated March 27, 2024, has certified that the fair value of the Equity Share of Target Company is ₹ 9.18/- (Rupees Nine and Eighteen Paise Only) per Equity Share.

**IBBI Registered Valuer Mr. Hitesh Jhamb, bearing IBBI Registered Valuer Registration number 'IBBI/RV/11/2019/12355' and having his office at 116, FF, L-1 Tower, Cloud 9, Sector-1, Vaishali-201010 with the Email address being 'jassociates.cs@gmail.com', dated March 27, 2024, has certified that the fair value of the Equity Share of Target Company is ₹ 9.04/- (Rupees Nine and Four Paise Only) per Equity Share.

6.1.6 In the Financial Year of 2019-2020, the erstwhile Promoters namely being, being DD Securities Limited, Aid Angle Finvest Private Limited, PH Builders Private Limited, Angle Finvest Private Limited, Aditya Financial Consultants Private Limited, Striker Finvest Private Limited, Sanksons Papers Private Limited, Rector Finlease & Securities Private Limited, Meena Khurana, Sanjeev Khurana, Deepak Gupta, S Khurana & Sons HUF, Naresh Wadhwa and Ritu Gupta had transferred their Equity Shares to the present Promoter Sellers Ranjan Kumar, Anil Singh, Dinesh Chandra Arya, Vikram Gupta, and Sarbjit Singh through off market transaction route. Due to the said transfer of Equity Shares of the Target Company, the present Promoter Sellers were under an obligation to make public announcement and comply with the provisions of SEBI (SAST) Regulations for the purpose of open offer in terms of Regulation 3(1) and 4 of SEBI (SAST) Regulations on July 13, 2019. However due to the failure of making a public announcement under the provisions of SEBI (SAST) Regulations and subsequent non-compliance with the said provisions of SEBI (SAST) Regulations, the offer price of ₹20.00/- (Rupees Twenty Only) per Equity Share has been calculated considering the interest factor at the rate of 10.00% (Ten Percent) per annum from the Financial Year 2019-2020, in accordance with the provisions of Regulation 18(11A) of the SEBI (SAST) Regulations till the date of the Public Announcement, the details of which are specified as under:

Date of Purchase (Trigger Date)	Saturday, July 13, 2019
Current date of Public Announcement	Wednesday, March 27, 2024
Number of days of delay	1,725 (One Thousand Seven Hundred and Twenty Five)
Transaction Price	₹ 09.00/- (Rupees Nine Only)
Fair Value as on Trigger Date	₹09.04/- (Rupees Nine and Four Paise Only)
Price in accordance with the provisions of Regulations 18 (11A) of SEBI (SAST) Regulations	₹09.04/- (Rupees Nine and Four Paise Only)
Interest @ 10.00% (Ten Percent) per annum	₹4.27/- (Rupees Four and Twenty Seven Paise)

	Only)
Total Revised Price	₹13.31/- (Rupees Thirteen and Thirty One Paise Only)
Offer Price	₹20.00/- (Rupees Twenty Only)

- 6.1.7 In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of ₹20.00/- (Rupees Twenty Only) per Equity Share as mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations.
- 6.1.8 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters. The Offer Price is subject to adjustment in accordance with Regulation 8(9) of the Takeover Regulations if any corporate actions fall prior to three working days before commencement of the Tendering Period.
- 6.1.9 The Acquirers and the PAC shall disclose during the offer period, every acquisition made by them of any equity shares of the Target Company, to the Stock Exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).
- 6.1.10 If the Acquirers and the PAC acquires Equity Shares during the period of twenty-six weeks after the closure of tendering period at a price higher than the Offer Price, then the Acquirers and the PAC shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose Equity Shares have been accepted in this Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021 or open market purchases made in the ordinary course on the Stock Exchange, not being negotiated acquisition of Equity Shares of the target company whether by way of bulk deals, block deals or in any other form.
- 6.1.11 There has been no revision in the Offer Price or to the size of this Offer as on the date of this Draft Letter of Offer.
- 6.1.12 An upward revision to the Offer Price or to the Offer Size, if any, on account of future purchases/ competing Offer or otherwise, may be done at any time prior to the commencement of the last 1 working day before the date of 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 and the PAC shall (i) make further deposit into the Escrow Account; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such announcement, inform BSE, SEBI and the Target Company at its Registered Office of such revision.
- 6.1.13 In case the Acquirers and the PAC acquire or agrees to acquire any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the Offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of SEBI (SAST) Regulations. However, the Acquirers and the PAC shall not acquire any equity shares in the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 6.1.14 In case of delay in receipt of any statutory approval, Regulation 18(11) of the SEBI (SAST) Regulations shall be adhered to i.e. extension of time to the Acquirers and the PAC for payment of consideration to the shareholders of the Target Company shall be allowed subject to the Acquirers and the PAC agreeing to pay interest at such rate as may be specified.
- 6.1.15 In terms of the provisions of Regulation 18(11) of SEBI (SAST) Regulations, if the Acquirers and the PAC would not be able to make payment to shareholders on account of reasons other than delay in receipt of any statutory approval, then the Acquirers and the PAC shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at such rate as may be specified by SEBI, however, if the situation warrants, waiver may be granted by SEBI for payment of interest.

6.2 Financial Arrangements:

- 6.2.1 The total funds required for implementation of the Offer (assuming full acceptance), i.e., for the acquisition of upto 8,73,600 (Eight Lakh Seventy Three Thousand Six Hundred) Equity Shares at a price of ₹20/- (Rupees Twenty only) per Equity Share is ₹1,74,72,000/- (Rupees One Crore Seventy-Four Lakh Seventy-Two Thousand Only). (“**Maximum Consideration**”).
- 6.2.2 The Acquirers along with the PAC have adequate financial resources and have 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 are envisaged.
- 6.2.3 CA Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034 with contact details being '91-9810282061', and E-mail Address being 'scg171@gmail.com', has certified, bearing unique document identification number '24085615BKBOFK9517' on March 27, 2024 that sufficient resources are available with the Acquirers for fulfilling the obligations under this Offer in full.

- 6.2.4 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers has opened an Escrow Account in the name and style of “**KTL OPEN OFFER ESCROW ACCOUNT**” bearing number 084066200000172, with Yes Bank Limited, having its registered office at YES Bank House, 5th Floor Off Western Express highway, Santacruz East, Mumbai – 400055, India and the escrow account is opened with its Branch Office at Yes Bank, JMD Galleria, Sohna Road, Sector-48, Gurgaon- 122018, India, holding SEBI Registration for Bankers to Issue (Code: INBI00000935) (hereinafter referred to as the “Escrow Banker”) and deposited therein an amount of ₹44,00,000/- (Rupees Forty Four Lakh Only), in cash, being more than 25% of the Maximum Consideration payable under the Offer.
- 6.2.5 The Manager to the Offer is authorized to operate the above-mentioned Escrow Account and has been duly empowered to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.6 Based on the above, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. Further, the Manager to the Offer confirms that firm arrangement for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.
- 6.2.7 In case of upward revision of the Offer Price and/or the Offer Size, the Acquirers and the PAC shall deposit additional appropriate amount into an Escrow Account to ensure compliance with Regulation 18(5) of the SEBI (SAST) Regulations, 2011, prior to effecting such revision.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions

- 7.1.1 This Offer is being made by the Acquirers to: (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (iii) those persons who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period but who are not the registered Public Shareholders.
- 7.1.2 The Identified Date for this Open Offer as per the indicative schedule of key activities is Friday, May 10, 2024. In terms of the indicative schedule of key activities, the Tendering Period for the Open Offer is expected to commence on Monday, May 27, 2024 and close on Friday, June 07, 2024 (both days inclusive).
- 7.1.3 The Acquirers and the PAC are hereby Offer shares to all Public Shareholders to acquire up to 8,73,600 Equity Shares, constituting 26.00% of the Voting Share Capital of the Target Company subject to the terms and conditions mentioned in the PA, DPS, the DLOF and the LOF.
- 7.1.4 This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
- 7.1.5 This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.6 The Public Shareholders may tender their Equity Shares in the Offer at any time from the commencement of the Tendering Period but prior to the closure of the Tendering Period. The Acquirers have up to 10 (ten) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 7.1.7 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.8 The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
- 7.1.9 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Offer prior to the date of closure of the Tendering Period.
- 7.1.10 The Acquirers will acquire the Equity Shares which are free from all liens, charges, equitable interests and encumbrances. The Acquirers shall acquire the Equity Shares of the Public Shareholders who validly tender their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary approvals and consents for it to sell the Equity Shares on the foregoing basis.

- 7.1.11 Locked in shares: To the best of our knowledge, as on the date of this Draft Letter of Offer, there are no locked in shares in the Target Company.
- 7.1.12 As of the date of this Draft Letter of Offer, to the best of the knowledge of Acquirers and the PAC, there are no regulatory or statutory approvals required by the Acquirers for this Offer except the prior approval from RBI. If any other statutory approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such other statutory approval(s) being received. In terms of regulation 23 of the Takeover Regulations, the Acquirers will have the right to not proceed with the Offer, in the event the required statutory approvals are not received by them.
- 7.1.13 The acquisition of Equity Shares under the Open Offer from all Public Shareholders (resident and non-resident) is subject to all approvals required to be obtained by such Public Shareholders in relation to the Open Offer and the transfer of Equity Shares held by them to the Acquirers. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and registered FPIs and FIIIs) require any approvals (including from RBI, the Foreign Investment Promotion Board or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, Acquirers reserves the right to reject such Equity Shares tendered in this Open Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
- 7.1.14 The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance-cum-Acknowledgement is also expected to be available at SEBI's website, www.sebi.gov.in, and the Public Shareholders can also apply by downloading such forms from the website.
- 7.1.15 The marketable lot for the Equity Shares of the Target Company for the purpose of this Open Offer shall be 1 (one).
- 7.1.16 The Acquirers reserves the right to revise the Offer Price upwards prior to the commencement of the last 1(one) working day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the Newspapers. The Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Detailed Public Statement and the Draft Letter of Offer.
- 7.1.17 In the event of any revision of the open offer, whether by way of an upward revision in offer price, or of the offer size, the acquirers shall-(a) make corresponding increases to the amount kept in escrow account under regulation 17 prior to such revision; (b) make an announcement in respect of such revisions in all the newspapers in which the detailed public statement pursuant to the public announcement was made; and (c) simultaneously with the issue of such an announcement, inform the Board, all the stock exchanges on which the shares of the target company are listed, and the target company at its registered office.
- 7.1.18 None of the Acquirers along with the PAC, the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of documents during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

7.2 Eligibility for accepting the Open Offer

- 7.2.1 The Letter of Offer shall be sent to the Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date. The Identified Date for this Offer as per the tentative schedule of activities is Friday, May 10, 2024. However, All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in any way.
- 7.2.2 As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations, as amended and SEBI's press release dated December 3, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/ CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

- 7.2.3 All Public Shareholders, registered or unregistered, who own Equity Shares and can tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Open Offer.
- 7.2.4 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
- 7.2.5 The Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgment will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, the Public Shareholders, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgment from SEBI's website.
- 7.2.6 The acceptance of this Offer is entirely at the discretion of the Public Shareholders of the Target Company.
- 7.2.7 By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirers for the purpose of this Offer.
- 7.2.8 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.
- 7.2.9 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.
- 7.3 **Statutory approvals and other approvals required for the Offer.**
- 7.3.1 The Target Company, being a Non-Deposit taking Non-Banking Finance Company registered with the Reserve Bank of India, is mandated in an event of any acquisition or transfer of control of Non-Banking Finance Company, to seek and obtain prior approval of Reserve Bank of India in terms of Paragraph 61 of Chapter – IX of Section III of Master Direction – Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 bearing notification number DNBR.PD.007/03.10.119/2016-17 dated September 01, 2016. Apart from this, there are no statutory or other approvals required for implementing the Offer. If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals.
- 7.3.2 The Target Company have made an application with the Reserve Bank of India for change in control and management of the Target Company. However, as on date of this Draft Letter of Offer, the Target Company is yet to be in receipt of the necessary approval from the RBI, for the said change in control and management of the Target Company in pursuance of this Offer and purchase of Equity Shares pursuant to the Share Purchase Agreement. Except for being in receipt of approval from RBI, there are no other statutory approval(s) required by the Acquirers to complete this Offer. In accordance with the provisions of Regulation 18 (11A) of SEBI (SAST) Regulations, if at the time of making payment to the Eligible Public Shareholders who have tendered their Equity Shares in the said offer, the Target Company fails to receive the requisite approval from the RBI, then in such event, an application shall be made to SEBI seeking extension of time for making payment to the said Public Shareholders, subject to ensuring revision in the Offer Price by addition of the delayed interest at the rate of 10.00% (Ten Percent) per annum on the Offer Price
- 7.3.3 If any of the Public Equity Shareholders of the Target Company who are not person's resident in India (including NRIs, OCBs, FPIs, QFIs and FII) require 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 approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to be tendered to accept this Open Offer. If such previous approval is not submitted, the Acquirers reserve the right to reject the Equity Shares tendered by such Public Equity Shareholders who are not resident in India. If the Equity Shares are held under general permission of the RBI, the non-resident Public Equity Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non -repatriable basis.
- 7.3.4 Subject to the receipt of statutory and other approvals, if any, the Acquirers shall complete all procedures relating to payment of consideration under this Open Offer within 10 (Ten) Working Days from the date of expiry of the Tendering Period to those Public Equity Shareholders whose documents are found valid and are in order and are accepted for acquisition by the Acquirers.
- 7.3.5 In terms of Regulation 18(11) of the SEBI (SAST) Regulations, the Acquirers shall be responsible to pursue all statutory approvals required by the Acquirers in order to complete the Open Offer without any default, neglect or delay, including RBI approval under FEMA Act, 1999 regulations for Equity Shares tendered by non-resident shareholders. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any wilful 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 Public Equity Shareholders as directed by SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Without prejudice to sub-regulation 18(11), in case the Acquirers are unable to make payment to the Public Equity Shareholders who have accepted the Open Offer within such period, those Public Equity Shareholders are liable to receive interest at the rate of 10% (Ten percent) per annum in terms of Regulation 18(11A). Further, in event of nonfulfillment of obligations under the SEBI (SAST) Regulation by the Acquirers, 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.

7.3.6 The Acquirers will have the right not to proceed with the Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of the Open Offer, a PA will be made (through the Manager to the Open Offer) stating the grounds and reasons for the withdrawal of the Open Offer in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, within 2 (Two) Working Days of such withdrawal in the same newspapers in which the DPS has been published and such PA will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.

7.3.7 There are no conditions stipulated in the SPA between the Acquirers and the Sellers, the meeting of which would be outside the reasonable control of the Acquirers and in view of which the Open Offer might be withdrawn under Regulation 23 of the SEBI (SAST) Regulations.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1 Details of procedure for acceptance and settlement of the Offer.

8.1.1 All Public Equity Shareholders (except the parties to SPA), holding Equity Shares in dematerialized form, are eligible to participate in this Open Offer at any time during the Tendering Period of this Open Offer. Please refer to point 8.3 of this Draft Letter of Offer for details in relation to tendering of Open Offer Shares held in physical form.

8.1.2 Persons who have acquired the Equity Shares of the Target Company 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 the Equity Shares of the Target Company after the Identified Date or those who have not received the LOF, may also participate in this Open Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming the consent to participate in the Open Offer as per the terms and conditions of the Open Offer as set out in the DPS and to be set out in the LOF. In the alternate, such Public Equity Shareholders may apply in the Form of Acceptance in relation to the Open Offer that would be annexed to the LOF, which may also be obtained from the SEBI website (www.sebi.gov.in) or from the website of Registrar to the Open Offer, Skyline Financial Services Private Limited at www.skylinerta.com. The application along with all the other relevant documents required to be submitted shall be sent only to the Registrar to the Open Offer at the address mentioned on the cover page of the LOF, so as to reach the Registrar to the Open Offer during business hours on or before the date of closing of the Tendering Period together with the DP name, DP ID, Client ID, No. of Equity Shares tendered together with a photocopy or counterfoil of the delivery instruction slip in 'off market' mode duly acknowledged by the DP for transferring the Equity Shares of the Target Company, to the special depository account ("Escrow Demat Account") opened for the purpose of Open Offer. Any Form of Acceptance in respect of Dematerialised Shares not credited to the Escrow Demat Account on or before the closure of the Tendering Period is liable to be rejected.

8.1.3 The Public Equity Shareholders who tender their Equity shares in the Open Offer shall ensure that the Equity Shares are fully paid-up, and are free from liens, charges, and encumbrances. The Acquirers shall ensure the Open Offer Shares that are validly tendered and accepted in the Open Offer, together with all rights attached hitherto, including the rights to dividends, bonuses and rights offers declared thereof are in accordance with the applicable law, and the terms set out in the PA, DPS and the LOF.

8.1.4 The Open Offer will be implemented by the Acquirers through Stock Exchange Mechanism made available by BSE in the form of separate window (Acquisition Window) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 and CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and 'SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021' and BSE notice no. 20170202-34 dated February 02, 2017 and notice no. 20170210-16 and 20170210-23 dated February 10, 2017.

8.1.5 The Acquirers have appointed M/s. Nikunj Stock Brokers Limited ("**Buying Broker**") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period.

8.1.6 The Contact details of the Buying Broker are as mentioned below:

Name: **Nikunj Stock Brokers Limited**

Communication Address: A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi-110007

Mobile No.: 011-47030017/18, 9999492292

Email ID: complianceofficer@nikunjonline.com

Website: www.nikunjonline.com

Contact Person: Mr. Anupam Suman

SEBI Registration No.: INZ000169335

- 8.1.7 All Eligible Equity Shareholders who desire to tender their Equity Shares under the Open Offer would have to approach their respective stock brokers ("Selling Broker"), during the normal trading hours of the secondary market in the Tendering Period. The Selling Broker can enter orders for dematerialized as well as physical Equity Shares through the Acquisition Window.
- 8.1.8 Public Equity Shareholders must ensure that their Equity Shares are made available to their Selling Brokers, before the closure of the Tendering Period.
- 8.1.9 In the event the Selling Broker of a shareholder is not registered with the Stock Exchange, then that Eligible Shareholder can approach the Buying Broker and tender the Equity Shares through the Buying Broker, after submitting the details as may be required by the Buying Broker in compliance with the applicable SEBI regulations.
- 8.1.10 BSE shall be the Designated Stock Exchange for the purpose of tendering Equity Shares in the Open Offer ("Designated Stock Exchange").
- 8.1.11 A Separate Acquisition Window will be provided by the BSE to facilitate the placing of sell orders.
- 8.1.12 The Selling Broker would be required to place an order/bid on behalf of the Public Equity Shareholders who wish to tender their Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the bid, the concerned Public Equity Shareholder/Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation, by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.1.13 The details of settlement number under which lien will be marked shall be informed in the issue opening circular that will be issued by BSE/Clearing Corporation, before the Open Offer Opening Date.
- 8.1.14 The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical Equity Shares) at the Public Equity Shareholders' sole risk. Public Equity Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Open Offer are completed.
- 8.1.15 The cumulative quantity tendered shall be displayed on the Stock Exchange's website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 8.1.16 Modification/ Cancellation of orders will not be allowed during the Tendering Period of the Open Offer. Multiple bids made by single Public Equity Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
- 8.1.17 Public Equity Shareholders can tender their Equity Shares only through a broker with whom the Shareholder is registered as client (KYC Compliant).
- 8.1.18 The Equity Shares/share certificates tendered in response to the Open Offer will be held in a trust by the Registrar to the Open Offer / Clearing Corporation until the completion of the Open Offer (in accordance with the SEBI (SAST) Regulations and other applicable laws, rules and regulations), and the Public Equity Shareholders will not be able to trade, sell, transfer, exchange or otherwise dispose of such Equity Shares until the completion of the Open Offer or withdrawal of the Open Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations.
- 8.1.19 In the event, Selling Broker(s) are not registered with BSE or if the Public Equity Shareholder does not have any stock broker, then that Public Equity Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case, the Public Equity Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Shareholder may approach Company's Broker, to bid by using quick UCC facility. The Public Equity Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:
- 8.1.20 **In case of the Public Equity Shareholder being an individual:**
- a) If the Public Equity Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:
 - i. Central Know Your Client ("CKYC") form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV), if applicable.
 - ii. Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)
 - b) If the Public Equity Shareholder is not registered with KRA: Forms required:
 - i. CKYC form including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. KYC form Documents required (all documents self-attested): PAN card copy, Address proof, Bank details (cancelled cheque)
 - iv. Demat details (Demat master /Latest Demat statement)
- It may be noted that other than submission of above forms and documents in person verification may be required.

- b) If the Public Equity Shareholder is not registered with KRA: Forms required:
 - i. CKYC form including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. KYC form Documents required (all documents self-attested): PAN card copy, Address proof, Bank details (cancelled cheque)
 - iv. Demat details (Demat master /Latest Demat statement) It may be noted that other than submission of above forms and documents in person verification may be required.

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

8.1.21 In case of Shareholder is HUF:

- a) If the Public Equity Shareholder is registered with KRA: Forms required:
 - i. CKYC form of KARTA including FATCA, IPV, OSV if applicable.
 - ii. KYC form documents required (all documents self-attested): Bank details (cancelled cheque).
 - iii. Demat details (Demat Master /Latest Demat statement)
- b) If the Public Equity Shareholder is not registered with KRA: Forms required:
 - i. CKYC form of KARTA including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. Know Your Client (KYC) form Documents required (all documents self-attested): PAN card copy of HUF & KARTA, Address proof of HUF & KARTA HUF declaration, Bank details (cancelled cheque)
 - iv. Demat details (Demat master /Latest Demat statement)

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

8.1.22 In case of Shareholder other than Individual and HUF:

- a) If the Public Equity Shareholder is KRA registered: Form required:
 - i. Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque).
 - ii. Demat details (Demat master /Latest Demat statement).
 - iii. FATCA, IPV, OSV if applicable.
 - iv. Latest list of directors/authorised signatories/partners/trustees.
 - v. Latest shareholding pattern.
 - vi. Board resolution.
 - vii. Details of ultimate beneficial owner along with PAN card and address proof.
 - viii. Last 2 years' financial statements.
- b) If the Public Equity Shareholder is not KRA registered: Forms required:
 - i. KRA form
 - ii. Know Your Client (KYC) form Documents required (all documents certified true copy): PAN card copy of company/ firm/trust, Address proof of company/firm/trust Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)
 - iv. FATCA, IPV, OSV if applicable.
 - v. Latest list of directors/authorised signatories/partners/trustees.
 - vi. PAN card copies & address proof of directors/authorised signatories/partners/trustees.
 - vii. Latest shareholding pattern.
 - viii. Board resolution/partnership declaration.
 - ix. Details of ultimate beneficial owner along with PAN card and address proof.
 - x. Last 2 years' financial statements.
 - xi. MOA/Partnership deed /trust deed

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

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

8.2 Procedure for tendering Equity Shares held in dematerialised Form:

- 8.2.1 The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their broker indicating to their Selling broker the details of Equity Shares that they intend to tender in Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 8.2.2 The Public Equity Shareholders shall submit delivery instruction slip duly filled-in specifying the appropriate market type in relation to the "Open Offer" and execution date along with all other details to their respective Selling Broker so that the Equity Shares can be tendered in the Open Offer.

- 8.2.3 The Selling Broker will be required to place an order/bid on behalf of the Public Equity Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the order/bid, the Public Equity Shareholders are required to transfer, through their respective depository participants, the Equity Shares intended to be tendered to the early pay-in account as prescribed by BSE or the Indian Clearing Corporation Limited (hereinafter referred to as 'Clearing Corporation').
- 8.2.4 Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("TRS") generated by the Exchange bidding system to the Public Equity Shareholder on whose behalf the order has been placed. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.
- 8.2.5 On receipt of TRS from the respective Selling Broker, the Public Equity Shareholder has successfully placed the bid in the Open Offer.
- 8.2.6 For custodian participants, orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to custodian again for confirmation.
- 8.2.7 The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.
- 8.2.8 The Public Equity Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- 8.2.9 In case of receipt of Equity Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for Demat Shareholders.
- 8.2.10 The cumulative quantity tendered shall be made available on the website of the BSE (www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.
- 8.2.11 In case any person has submitted Equity Shares in physical form for conversion to Demat, such Public Equity Shareholders should ensure that the process of getting the Equity Shares converted to Demat mode is completed well in time so that they can participate in the Open Offer before the closure of the Tendering Period.
- 8.2.12 The Public Equity Shareholders holding Equity Shares in Demat mode are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.
- 8.2.13 All non-resident Public Equity Shareholders (i.e., Public Equity Shareholders not residing in India including NRIs, OCBs, FPIs, QFIs and FIIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Equity Shareholders holding Equity Shares in Demat mode, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along with the required documents to the Registrar to the Open Offer at its address given on the cover page of the LOF. The envelope should be super scribed as "Kinetic Trust Limited - Open Offer". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 8.2.14 It is clarified that even in case of non-receipt of the completed Acceptance Form and other documents from the demat Equity Shareholders, but if a lien is marked successfully in the depository system and a valid bid is placed in the exchange bidding system then the tender for this Open Offer shall be deemed to have been accepted.

8.3 Procedure to be followed by registered Shareholders holding Equity Shares in the physical form.

- 8.3.1 In accordance with the Frequently Asked Questions issued by SEBI, 'FAQs – Tendering of physical Equity 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', the Public Equity Shareholders holding securities in physical form are allowed to tender Equity Shares in the Open Offer through Tender Offer route. However, such tendering shall be as per the provisions of respective regulations.
- 8.3.2 Public Equity Shareholders who are holding physical Equity Shares and intend to participate in this Open Offer shall approach the Selling Broker and submit the following set of documents for verification:
- a. Equity Shareholders whose name(s) appears on the share certificate(s) and in the same order and Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Public as per the specimen signature lodged with the Target Company;
 - b. Original share certificates
 - c. Valid share transfer deed(s) (Form SH-4) duly signed as transferor(s) by the sole/joint Public Equity Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;

- d. Self-attested copy of the Shareholder's PAN Card;
- e. Any other relevant documents such as (but not limited to):
- Duly attested power of attorney if any person other than the Equity Shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement
 - Notarized copy of death certificate / succession certificate or probated will, if the original Shareholder has deceased
 - Necessary corporate authorisations, such as Board Resolutions etc., in case of companies etc.
- 8.3.3 In addition to the above, if the address of the Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, voter identity card or passport.
- 8.3.4 Based on above documents, Selling Broker shall place order on the Acquisition Window with relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling Broker shall provide a TRS generated by the exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity Shares tendered etc.
- 8.3.5 After placement of order, as mentioned in paragraph 8.3.4, the Selling Broker/Equity Shareholder must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, original share certificate(s), valid share transfer form(s) and other documents (as mentioned in paragraph 8.3.2 (i) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscribed as "**Kinetic Trust Limited -Open Offer**". One copy of the TRS along with supporting documents will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- 8.3.6 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 by the Acquirer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the stock exchanges shall display such orders as unconfirmed physical bids "Once, Registrar to the Offer confirms the orders it will be treated as Confirmed Bids".
- 8.3.7 In case any person has submitted Equity Shares in physical form for dematerialisation, such Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before the Offer Closing Date.
- 8.3.8 Modification / cancellation of orders will not be allowed during the period the Offer is open.
- 8.3.9 The cumulative quantity tendered shall be made available on the website of the Stock Exchanges throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 8.4 Procedure for tendering the shares in case of non-receipt of Letter of Offer**
- 8.4.1. 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. A Shareholder may participate in the Offer by approaching their broker and tender Equity Shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date.
- 8.4.2. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificate and Form SH 4 in case of shares being held in physical form. Such shareholders have to ensure that their order is entered on the electronic platform to be made available by BSE before the closure of the Offer.
- 8.4.3. Non-receipt of this Letter of Offer by, or accidental omission to dispatch this Letter of Offer to any shareholder, shall not invalidate the Offer in any way.
- 8.4.4. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the Shareholders of the Target Company. The Acquirers does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.

8.5 Acceptance of Equity Shares

- 8.5.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat shares, physical shares) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, 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, or the entire holding if it is less than the marketable lot.
- 8.5.2 As per the recent amendment of SEBI vide its circular numbered SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Public Shareholders' sole risk. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 8.5.3 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 Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, 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.

In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Acquirers will have the authority to decide such final allocation with respect to such rounding-off or any excess of Equity Shares or any shortage of Equity Shares.

8.6 Settlement Process/ Payment Consideration

- 8.6.1 On closure of the Open Offer, reconciliation for acceptances shall be conducted by the Manager to the Open Offer and the Registrar to the Open Offer and 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.
- 8.6.2 As per the recent amendment of SEBI vide its circular SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the Equity Shares of the Public Equity Shareholders participating in the tender offers. Upon finalization of the entitlement, only the accepted quantity of Equity Shares shall be debited from the demat account of the Public Equity Shareholders. The lien marked against unaccepted Equity Shares shall be released.
- 8.6.3 For Equity Shares accepted under the Open Offer, the Clearing Corporation will make a direct funds payout to each respective eligible Public Equity Shareholder to the bank account linked to its demat account. If a Public Equity Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective Shareholders.
- 8.6.4 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 Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards.
- 8.6.5 The Public Equity Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares under the Open Offer.
- 8.6.6 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Equity Shareholders would be returned/unblocked by the Clearing Corporation.
- 8.6.7 The Equity Shares accepted in the Open Offer shall be directly credited in the demat account of the Acquirers as indicated by the Buying Broker.
- 8.6.8 Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirers.
- 8.6.9 In case of partial or non-acceptance of orders, the balance demat Equity Shares shall be returned directly to the demat accounts of the Public Equity Shareholders or will unblock the unaccepted blocked Equity Shares in their demat accounts. However, in the event of any rejection of transfer to the demat account of the Public Equity Shareholder for any reason, the demat Equity Shares shall be released to the securities pool account of their respective Selling Broker and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Equity Shareholders.

- 8.6.10 Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Equity Shareholders'/unregistered owners' sole risk to the sole/ first Public Equity Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Equity Shareholders holding Equity Shares in the physical form.
- 8.6.11 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Public Equity Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Open Offer.
- 8.6.12 If Public Equity Shareholders' bank account details are not available or if the fund transfer instruction is rejected by RBI or bank, due to any reasons, then the amount payable to Public Equity Shareholders will be transferred to the Selling Broker for onward transfer to the Public Equity Shareholder.
- 8.6.13 Public Equity Shareholders who intend to participate in this Open Offer should consult their respective Selling Broker for payment to them of any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Selling Broker for tendering Equity Shares in this Open Offer (secondary market transaction). Therefore, the Open Offer consideration received by the selling Eligible Public Equity Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Open Offer and the Acquirers accept no responsibility to bear or pay any additional cost, applicable taxes, charges, and expenses (including brokerage) levied by the Selling Broker, and such costs will be borne solely by the Eligible Public Equity Shareholders.
- 8.6.14 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 Acquirers 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 Equity Shareholders whose Equity Shares have been accepted in the Open Offer.
- 8.6.15 Public Equity Shareholders of the Target Company who are either non-resident Indians or Overseas Corporate Bodies and wish to tender their Equity Shares in this Open Offer shall be required to submit all the applicable Reserve Bank of India ("RBI") approvals (specific and general) which they would have obtained at the time of their acquisition of the Equity Shares of the Target Company along with RBI approvals that may be required for tendering of the Equity Shares in the Open Offer. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the Equity Shares tendered by such Public Equity Shareholders in the Open Offer. This Open Offer is subject to receipt of the requisite RBI approvals, if any, for acquisition of Equity Shares by the Acquirer from NRIs OCBs, FPIs, QFIs and FIIs. While tendering the Equity Shares under the Open Offer, NRIs/OCBs/foreign Shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the Public Equity Shareholder under the Income Tax Act, on the entire consideration amount payable to such Public Equity Shareholder.

8.7 COMPLIANCE WITH TAX REQUIREMENTS

- 8.7.1 Under current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain (in excess of ₹1 lakh) realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India @ 10% if Securities Transaction Tax ("STT") has been paid on the transaction.
- 8.7.2 STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold, will be subject to short term capital gains tax @ 15% provided the transaction is chargeable to STT.
- 8.7.3 The above tax rates are subject to applicable rate of surcharge, health and education cess or any other as may be applicable at the time of sale. The tax rate and other provisions may undergo changes.
- 8.7.4 In case of Resident Shareholders: In absence of any specific provision under the Income-Tax Act, 1961, the Acquirers shall not deduct tax on the consideration payable to resident shareholders pursuant to the Offer.
- 8.7.5 In case of Non-Resident Shareholders: Under the existing Indian tax laws, any gains paid to a nonresident is subject to deduction of tax at source, unless capital gains are realized by the FPIs or such gains which are exempt from tax. Since the offer is through the stock exchange mechanism, the Acquirers will not be able to withhold any taxes, and thus, the Acquirers believes that the responsibility of withholding / discharge of the taxes due on such gains (if any) is solely on the custodians / authorized dealers / non-resident shareholders – with no recourse to the Acquirers.

- 8.7.6** It is therefore important that the non-resident shareholders consult their custodians / authorized dealers / tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). In the event the Acquirers are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirers are entitled to be indemnified.

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 ACQUIRERS DO NOT ACCEPT OR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

9. DOCUMENTS FOR INSPECTION

The copies of the following documents will be available for inspection to the Public Equity Shareholders at the Registered office of the Manager to the Open Offer, Fintellectual Corporate Advisors Private Limited situated at 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1 Extension, Delhi-110091 on any Working Day (except Saturdays and Sundays and public holidays) between 10.00 A.M. to 5.00 P.M during the period from the date of commencement of the Tendering Period until the date of expiry of the Tendering Period. Shareholders have option to verify below mentioned records electronically by placing a request on the email i.e. info@fintellectualadvisors.com by providing details such as DP-ID-Client ID and Folio No etc. and access would be provided to the respective Public Shareholders for electronic inspection upon receipt and processing of such a request.

- a) Copy of Share Purchase Agreement dated Wednesday, March 27, 2024 entered between the Promoter Sellers and the Acquirers which triggered this offer.
- b) Net worth Certificate dated March 27, 2024 issued by Mr. Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034, certifying the net worth of Mr. Sandeep Garg (Acquirer 1).
- c) Net worth Certificate dated March 27, 2024 issued by Mr. Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034, certifying the net worth of Mrs. Mallika Aggarwal (Acquirer 2).
- d) Net worth Certificate dated March 27, 2024 issued by Mr. Neelesh Kumar Jain bearing Membership Number '511815, Proprietor of M/s. Neelesh Kumar Jain, Chartered Accountants, (UDIN:24511815BKFWXQ9114) having office at 41, First Floor, Sharad Vihar, Karkarduma, Delhi - 110092, certifying the net worth of Sequence Builders Private Limited (PAC).
- e) Certificate of Incorporation, Memorandum and Articles of Association of PAC.
- f) Certificate dated March 27, 2024 issued by Mr. Subhash Garg bearing Membership Number '085615, Partner of S.C Garg & Associates, (Chartered Accountants) bearing firm registration number '006873N' having their office located at 49, Ekjot Apartment, Road No. 44, Pitampura, New Delhi-110034, confirming that sufficient resources are available with the Acquirers and the PAC for fulfilling the obligations under this Offer in full.
- g) Certificate dated March 27, 2024 with respect to fair value of the equity shares of the Target Company as on December 31, 2023 issued by Hitesh Jhamb, bearing IBBI Registered Valuer Registration number 'IBBI/RV/11/2019/12355' and having his office at 116, FF, L-1 Tower, Cloud 9, Sector-1, Vaishali-201010.
- h) Certificate dated March 27, 2024 with respect to fair value of the equity shares of the Target Company as on March 31, 2019 issued by Hitesh Jhamb, bearing IBBI Registered Valuer Registration number 'IBBI/RV/11/2019/12355' and having his office at 116, FF, L-1 Tower, Cloud 9, Sector-1, Vaishali-201010.
- i) Certificate dated March 30, 2024 issued by Mrs. Sunita Agarwal (Membership No. 095196), Partner of M/s Sunita Agarwal & Co, Chartered Accountants, (UDIN: 24095196BKEMLI7977) certifying the financial data of Kinetic Trust Limited for the 9 (Nine) months period ended December 31, 2023 and Audited financials for the years ended March 31, 2023, 2022 and 2021.
- j) Audited Annual Reports of the Target Company for the years ended on March 31, 2023, March 31, 2022 and March 31, 2021 and Unaudited limited reviewed Financial Results and certified for 9 (Nine) months period ending December 31, 2023.
- k) Copy of Escrow Agreement entered between the Acquirer, Fintellectual Corporate Advisors Private Limited (the "Manager to the Offer") and Yes Bank Limited ("Escrow Bank").

- l) Letter from Yes Bank Limited confirming the cash deposit of ₹44,00,000/- (Rupees Forty Four Lakh Only) in the Escrow Account with a lien marked in favour of the Manager to the Offer.
- m) Copy of Agreement dated Wednesday, March 27, 2024 between the Acquirers and the Registrar to the Offer for the purpose of the Offer.
- n) Copy of Memorandum of Understanding dated Wednesday, March 27, 2024 between the Acquirers and Manager to the Offer.
- o) Copy of the Public Announcement dated Wednesday, March 27, 2024, the published copy of DPS dated Wednesday, April 03, 2024, and corrigendum if any.
- p) Published Copy of the Offer Opening Public Announcement published by the Manager to the Offer on behalf of the Acquirers and the PAC.
- q) Published Copy of the recommendation made by the Committee of the Independent Directors of the Target Company.
- r) Copy of the letter from SEBI dated [●] containing its comments on the Draft Letter of Offer.

10. DECLARATION BY THE ACQUIRERS AND PAC

The Acquirers and the PAC accept full responsibility for the information contained in this DLOF (other than such information as has been obtained from public sources or provided or relating to and confirmed by the Target Company and/or the Promoter Sellers) and undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations. The Acquirers and the PAC further confirm that the disclosure made in this Draft Letter of Offer are true, fair, and adequate in all material aspects and not misleading in any material particular.

The Acquirers and the PAC accept full responsibility for their obligations under the Offer and shall, jointly and severally, be responsible for ensuring compliance with the SEBI (SAST) Regulations.

The information pertaining to the Target Company and/or Promoter Sellers contained in the PA or DPS or DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Promoter Sellers, as the case may be, or publicly available sources which has not been independently verified by the Acquirers, PAC or the Manager. The Acquirers, PAC and the Manager to the Offer do not accept any responsibility with respect to the information provided by the Target Company and/or the Promoter Sellers.

For and on behalf of Acquirers

Sd/-
Sandeep Garg
Acquirer 1

Sd/-
Mallika Aggarwal
Acquirer 2

For Sequence Builders Private Limited

Sd/-
Sandeep Garg
Director
PAC

Place: New Delhi
Date: April 12, 2024