

LETTER OF OFFER
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of offer (“**LOF**”) is being sent to you as a Public Shareholder (*as defined below*) of Classic Filaments Limited (“**Target Company**”). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer (*as defined below*)/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over this LOF and the accompanying Form of Acceptance-cum-Acknowledgement (*as defined below*) to the member of Stock Exchange (*as defined below*) through whom the said sale was affected.

OPEN OFFER (“OPEN OFFER”/ “OFFER”)

BY

MR. BHARAT PATEL

Residential Address: 203, Shaleen Apartment, Muralidhar Road, Ghod Dod Road, Umra, Surat – 395007, Gujarat, India

Tel: +91 +91 93747 29793 **Email:** bv_patel@hotmail.com

(Hereinafter referred to as ‘Acquirer 1’)

MR. AMIT PATEL

Residential Address: 13, Meera Nagar, Ram Chowk, Ghod Dod Road, Umra, Surat - 395007, Gujarat, India

Tel: +91 93740 77567 **Email:** priyankaart@gmail.com

(Hereinafter referred to as ‘Acquirer 2’)

MR. JAYANTI GAUDANI

Residential Address: B/404, Ashoka Madhuban Society, Raheja Township, Rani Sati Road, Near Saibaba Mandir, Malad (East), Mumbai-400097, Maharashtra, India

Tel: +91 98251 40016 **Email:** jmgaudani27@yahoo.com

(Hereinafter referred to as ‘Acquirer 3’)

MR. AJAY GAUDANI

Residential Address: A-501, Victoria Heritage, Beside Status 20, Near Gangotri Circle, Nikol, Ahmedabad-382350, Gujarat, India

Tel: +91 96877 49944 **Email:** aj.gaudani@hotmail.com

(Hereinafter referred to as ‘Acquirer 4’)

(Hereinafter collectively referred to as ‘Acquirers’)

OPEN OFFER FOR ACQUISITION OF UP TO 38,40,530 (THIRTY-EIGHT LAKHS FORTY THOUSAND FIVE HUNDRED THIRTY ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARE”), REPRESENTING UP TO 62.82% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF CLASSIC FILAMENTS LIMITED (THE “TARGET COMPANY”) AT AN OFFER PRICE OF ₹ 6.60/- (RUPEES SIX AND PAISE SIXTY ONLY) PER EQUITY SHARE OF THE TARGET COMPANY, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”) FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW)

OF

CLASSIC FILAMENTS LIMITED (“TARGET COMPANY”)

Registered Office: Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat, Gujarat, 395006

CIN: L17114GJ1990PLC013667

Tel: 0261-2540570

Email id: classicfilaments@vmail.com; **Website:** www.classicfilamentsltd.com



Please Note:

1. This Open Offer (*as defined below*) is being made by the Acquirers pursuant to and in compliance with Regulation 4 of the SEBI (SAST) Regulations and other applicable regulations of the 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 the date of this LOF, to the best of the knowledge of the Acquirers, there are no statutory approvals required to implement the Open Offer that are validly tendered pursuant to the Open Offer and/or to complete the acquisition of Equity Shares by way of Share Purchase Agreement dated September 05, 2023. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
5. The Acquirers shall complete all procedures relating to this Open Offer within 10 (Ten) Working Days (*as defined below*) from the date of closure of the Tendering Period (*as defined below*), including payment of consideration to those Public Shareholders whose share certificates and/or other documents are found valid and in order and are accepted for acquisition by the Acquirers.
6. An upward revision to the Offer Price or to the Offer Size (as defined below), if any, at any time prior to the commencement of the last 1 (one) working day before the commencement of the Tendering Period i.e., Thursday, December 14, 2023, the same would be informed by way of a public announcement in the same newspapers where the original Detailed Public Statement appeared. Such revision in the Open Offer Price would be payable by the Acquirers for all the Offer Shares validly tendered anytime during the Tendering Period of the Open Offer. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, the same would be communicated within 2 (two) working days by an announcement in the same newspapers in which the Detailed Public Statement was published.
7. If the aggregate number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the number of Offer Shares (as defined below), 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 the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only.
8. Public Shareholders classified as OCBs (as defined below), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI (as defined below) under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer and submit such approvals along with the Form of Acceptance and other documents required to accept this Offer. Further, if the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs (as defined below) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer.
9. **There is no competing offer as on the date of this Letter of Offer.**
10. **If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.**

A copy of the Public Announcement (“PA”) (*as defined below*), the Detailed Public Statement (“DPS”) and Corrigendum to DLOF (“Corrigendum”) are available on the website of SEBI (www.sebi.gov.in), and copy of the Draft Letter of Offer (“DLOF”) and this Letter of Offer (“LOF”) (including the Form of Acceptance-cum-Acknowledgement) is available on the website of SEBI (www.sebi.gov.in).

All future correspondence should be addressed to the Manager to the Offer/Registrar to the Offer at the address mentioned below.

| Manager to the Offer | Registrar to the Offer |
|---|---|
|  <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Investor Grievance E-Mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163</p> |  <p>Skyline Financial Services Pvt. Ltd, First Floor, D 153 A Okhla Industrial Area Phase -1 New Delhi – 110 020 Tel No.: + 91 11 40450193 -197 2851 1022 Email id: ipo@skylinerta.com Website: www.skylinerta.com Investor Grievance id: grievances@skylinerta.com Contact Person: Anuj Rana SEBI Registration No.: INR000003241</p> |

TENTATIVE SCHEDULE OF MAJOR ACTIVITIES RELATING TO THE OFFER

| Activity | Original Schedule | Revised Schedule |
|---|-------------------------------|-------------------------------|
| PA for open offer | Tuesday, September 05, 2023 | Tuesday, September 05, 2023 |
| Date of publishing of Detailed Public Statement | Tuesday, September 12, 2023 | Tuesday, September 12, 2023 |
| Last date of filing Draft Letter of Offer with SEBI | Wednesday, September 20, 2023 | Wednesday, September 20, 2023 |
| Last date for public announcement for competing offer(s) | Friday, October 06, 2023 | Friday, October 06, 2023 |
| Last date for receipt of comments from SEBI on the Draft Letter of Offer | Friday, October 13, 2023 | Wednesday, November 29, 2023 |
| Identified Date [#] | Tuesday, October 17, 2023 | Friday, December 01, 2023 |
| Date by which the Letter of Offer is to be dispatched to the Equity Shareholders whose name appears on the register of members on the Identified Date. | Wednesday, October 25, 2023 | Friday, December 08, 2023 |
| Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer. | Monday, October 30, 2023 | Wednesday, December 13, 2023 |
| Last date for upward revision of the Offer Price and/or the Offer Size. | Tuesday, October 31, 2023 | Thursday, December 14, 2023 |
| Advertisement of schedule of activities for Open Offer, status of statutory and other approvals in newspapers and sending to SEBI, Stock Exchanges and Target Company at its registered office. | Tuesday, October 31, 2023 | Thursday, December 14, 2023 |
| Date of commencement of the Tendering Period (Offer Opening Date) | Wednesday, November 01, 2023 | Friday, December 15, 2023 |
| Date of closure of the Tendering Period (Offer Closing Date). | Wednesday, November 15, 2023 | Friday, December 29, 2023 |
| Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the Equity Shareholders of the Target Company. | Thursday, November 30, 2023 | Friday, January 12, 2024 |
| Last date for publication of post-Offer public announcement in the Newspapers. | Thursday, December 07, 2023 | Friday, January 19, 2024 |
| Last date for filing of final report with SEBI | Thursday, December 07, 2023 | Friday, January 19, 2024 |

**The above timelines are indicative, prepared on the basis of timelines provided under the SEBI (SAST) Regulations are subject to receipt of statutory/ regulatory approvals and may have to be revised accordingly. Shareholders are requested to refer to the Letter of offer for the revised timeline, if any.*

[#]Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer shall be sent. It is clarified that all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time before the Offer Closing Date, subject to the terms and conditions mentioned in the DPS and the LOF.

RISK FACTORS

1. RISKS RELATING TO THE UNDERLYING TRANSACTION:

- a) This Offer is a mandatory offer in terms of Regulation 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ('SEBI (SAST) Regulations, 2011').
- b) In terms of and in accordance with Regulation 23(1) of the SEBI (SAST) Regulations, 2011, any conditions are not satisfactorily complied with for reasons beyond the control of the Acquirers, the Open Offer would stand withdrawn. The Acquirers reserve the right to withdraw the Offer in accordance with Regulation 23(1)(a) of the SEBI (SAST) Regulations, 2011. In the event of a withdrawal of the Offer, the Acquirers (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a Public Announcement, in the same newspapers in which the Detailed Public Statement was published, stating the grounds for withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulation.
- c) As on the date of this LOF, there are no statutory approvals required to complete the Underlying Transaction of the Equity shares. However, in case any statutory or other approval becomes applicable prior to the completion of the Open Offer, this Underlying Transaction would also be subject to such other statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals.

2. RISKS RELATING TO THE OFFER

- a) This Open Offer is an offer to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares representing up to 62.82% of the Voting Share Capital of the Target Company from the Public Shareholders. In the case of Equity Shares tendered in the Open Offer by the Public Shareholders are more than the Offer Size, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Open Offer will be accepted.
- b) To the best of the knowledge of the Acquirers, as on the date of this LOF, there are no statutory approvals required to acquire the Equity shares that are validly tendered pursuant to this Open Offer. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, this Open Offer would also be subject to such other statutory approvals and the Acquirers shall make the necessary applications for such statutory approvals. Where any statutory approval extends to some but not all the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required to complete this Open Offer. In case of delay in receipt of any statutory approval(s) becoming applicable prior to completion of the Open Offer, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, Regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the escrow account shall become liable to forfeiture.
- c) In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or (b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirers from performing their obligations hereunder, or (c) SEBI instructing the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirers may be delayed.
- d) Upon sale of the entire shareholding of the Sellers in the Target Company pursuant to the Share Purchase Agreement, the Sellers are desirous that they will cease to be classified as members of the promoter and promoter group of the Target Company in accordance with applicable law. Such change in status from being classified as members of the promoter and promoter group may be subject to the approval by the Stock Exchanges if required in accordance with applicable law.
- e) NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without

limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance- cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirers shall reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or any other regulatory body, if applicable) 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, along with the other documents required to be tendered to accept this Offer. If such previous approvals and/or relevant documents are not submitted, the Acquirers shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public 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.

- f) The Acquirers 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.
- g) Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open Offer and/or the payment of consideration. The tendered Equity Shares and documents will be held in trust for the benefit of the Public Shareholders, who have tendered Equity Shares in the Open Offer, by the Clearing Corporation /Registrar to the Offer until such time the process of acceptance of tenders of Equity Shares under the Open Offer and the payment of consideration is completed. Once tendered, the Public Shareholders will not be able to trade in such Equity Shares. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. The Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.
- h) The information contained in this Letter of Offer is as of the date of this Letter of Offer unless expressly stated otherwise. The Acquirers and the Manager are under no obligation to update the information contained herein at any time after the date of this Letter of Offer.
- i) In the event of over-subscription to the Offer, the acceptance will be on a proportionate basis.
- j) The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, the DLOF, this LOF or in the advertisement or any materials issued by or at the instance of the Acquirers, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company and anyone placing reliance on any other source of information will be doing so at his/her/it's or their own risk.
- k) No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, viz. provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirers, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5% of the voting rights of the Target Company, the Acquirers may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.
- l) This LOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of the LOF residing in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements. This LOF does not in any way constitute an offer to purchase or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation.
- m) The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirers. The Acquirers or the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF, and all shareholders should independently consult their respective tax advisors.

- n) None of the Acquirers, the Manager, or the Registrar, accept any responsibility for any loss of documents during transit (including but not limited to the Offer acceptance forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

3. RISKS RELATING TO THE ACQUIRERS

- a) The Acquirers and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer.
- b) The Acquirers make no assurance with respect to their investment/divestment decisions relating to its proposed shareholding in the Target Company.
- c) The Acquirers and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open 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 Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
- d) Upon completion of the Offer, assuming full acceptance in the Offer, the Acquirers will hold 45,48,880 (Forty-Five Lakhs Forty-Eight Thousand Eight Hundred and Eighty Only) Equity Shares representing 74.41% of the Voting Share Capital of the Target Company as on the tenth working day after the closure of the Tendering Period. This would not result in public shareholding in Target Company falling below the minimum level prescribed under Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957. In the event the public shareholding in the Target Company falls below the stipulated minimum level required for continuous listing, the Acquirers shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate by the Acquirers to meet the minimum public shareholding requirements specified under SCRR.
- e) The information pertaining to the Target Company contained in the PA or DPS or DLOF or Corrigendum to DLOF or LOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published by the Target Company or publicly available sources.
- f) **The risk factors set forth above are not intended to cover a complete analysis of all risks as perceived in relation to the Open Offer or in association with the Acquirers, but are only indicative in nature. The risk factors set forth above pertains to the Open Offer, the Underlying Transaction and Acquirers and do not pertain 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 or comprehensive analysis of the risks involved in participation or otherwise by Public Shareholders in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker, tax advisors or investment consultant, for understanding and analyzing all risks with respect to their participation in the Open Offer.**

CURRENCY OF PRESENTATION

- In this LOF, all references to “₹”, “Rupees”, “Rs.” or “INR” are references to Indian National Rupees(s) (INR).
- In this LOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. KEY DEFINITIONS

| Particulars | Details/Definition |
|-------------------------------|--|
| Acceptance Date | The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification |
| Acquirers | Mr. Bharat Patel, Mr. Amit Patel, Mr. Jayanti Gaudani and Mr. Ajay Gaudani |
| AOA | Articles of Association |
| Board/Board of Directors | Board of directors of Classic Filaments Limited |
| BSE / Stock Exchange | BSE Limited |
| Buying Broker | Stock broker appointed by Acquirers for the purpose of this Open Offer i.e., Choice Equity Broking Private Limited |
| Companies Act, 2013/Act | The Companies Act, 2013 as amended, substituted or replaced from time to time. |
| CDSL | Central Depository Services Limited |
| Clearing Corporation | Indian Clearing Corporation Limited |
| CIN | Company Identification Number |
| Corrigendum | The Corrigendum to DLOF in connection with the Open offer published on behalf of the Acquirers on September 26, 2023 in Financial Express (English - All Editions), Jansatta (Hindi- All Editions) Janadesh (Gujarati – Regional – Where the Registered office of the Target Company is located) and Navshakti (Marathi – Regional- Place of Stock Exchange) |
| Depositories | CDSL and NSDL |
| Detailed Public Statement/DPS | The Detailed Public Statement in connection with the Open offer published on behalf of the Acquirers on September 12, 2023 in Financial Express (English - All Editions), Jansatta (Hindi- All Editions) Janadesh (Gujarati – Regional – Where the Registered office of the Target Company is located) and Navshakti (Marathi – Regional- Place of Stock Exchange) |
| DIN | Director Identification Number |
| DP | Depository participant |
| Draft Letter of Offer/DLOF | The Draft Letter of Offer dated September 20, 2023 filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations. |
| Effective Date | The date of certificate by the Merchant banker after filing the final Report with SEBI under SEBI (SAST) Regulations. |
| EPS | Earnings per share |
| Equity Shares | shall mean the fully paid-up equity shares of the Target Company of face value of ₹ 10/- (Rupees Ten only) each. |
| Escrow Account | Escrow Account opened in accordance with Regulation 17 of the SEBI (SAST) Regulations, under the name and style of “Bharat Patel CFL Escrow Account” with ICICI Bank Limited, the Escrow banker. |
| Escrow Agent/Escrow Bank | ICICI Bank Limited (“Escrow Agent”), a banking corporation incorporated under the laws of India, acting through its branch office at, ICICI Bank Limited, 5th floor, 163, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400020, Maharashtra India. |
| Escrow Agreement | Escrow Agreement dated September 08 2023, entered amongst and between the Acquirers, the Escrow banker, and the Manager to the offer. |
| Escrow Amount | The amount aggregating to Rs. 2,54,00,000/- (Rupees Two Crores Fifty-Four Lakhs only) maintained by the Acquirers with the Escrow Agent in accordance with the Escrow Agreement. |

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| Existing Equity Share Capital | means the existing share capital as on date of the Public Announcement considering total fully paid-up Equity Shares of the Target Company of the face value of ₹ 10/- (Rupees Ten only) each. |
| Existing Share Capital / Fully paid Equity Share / Voting Share Capital | mean the total voting equity share capital of the Target Company expected as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer |
| FEMA | Foreign Exchange Management Act, 1999, as amended |
| FIIIs | Foreign Institutional Investor(s), as defined under Section 2(1)(f) of the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended |
| Form of Acceptance | Form of Acceptance-cum-Acknowledgement |
| FPIs | Foreign Portfolio Investor(s), as defined under Regulation 2(1)(j) of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended |
| Identified Date | The date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period i.e., Friday, December 01, 2023, for the purpose of determining the Shareholders to whom the Letter of Offer in relation to this Offer shall be sent |
| Indian Rupees or INR or ₹ | Indian Rupees |
| Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendment thereto |
| Letter of Offer/LOF | Letter of Offer dated December 06, 2023, which shall be dispatched to the Public Shareholders |
| Manager/Manager to the Open Offer/Manager to the Offer | Fedex Securities Private Limited |
| Maximum Consideration/ Maximum Open Offer Consideration | The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of Rs. 2,53,47,498/- (Rupees Two Crores Fifty-Three Lakhs Forty-Seven Thousand Four Hundred and Ninety-Eight) |
| N.A. | Not Applicable |
| NEFT | National Electronic Funds Transfer |
| NOC | No-objection certificate |
| NRIIs | Non-resident Indians |
| NSDL | National Securities Depository Limited |
| OCBs | Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended |
| Offer/Open Offer/ The Offer | means the open offer for the acquisition of up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred and Thirty) Equity Shares, representing 62.82% (Sixty-Two point Eight Two Percent) of the Share Capital from the Public Shareholders. |
| Offer Price | ₹6.60/- (Rupees Six and Paise Sixty Only) per Equity Share, payable in cash |
| Offer Size | Offer Shares representing up to 62.82% (Sixty-Two point Eight Two percent) of the Voting Share Capital of the Target Company |

| | |
|--|---|
| OSV | Original seen and verified |
| PA/Public Announcement | The Public Announcement dated September 05, 2023 issued by the Manager on behalf of the Acquirers, in connection with the Open Offer. |
| PAC/PACs | Person(s) Acting in Concert |
| PAN | Permanent Account Number |
| Persons eligible to participate in the Offer/Shareholders | Registered shareholders of Classic Filaments Limited, and unregistered shareholders who own the Shares of Target Company on or before the last date of tendering period is eligible to participate in the offer except the Acquirers. |
| Proposed Transaction | The Underlying Transaction contemplated by the Share Purchase Agreement and the Open Offer |
| Public Shareholders | shall mean all the equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Offer, except the (i) Acquirers and any persons deemed to be acting in concert with the Acquirers, (ii) the parties to the underlying SPA (as defined below) and any persons deemed to be acting in concert with the parties to the Share Purchase Agreement, pursuant to and in compliance with the SEBI (SAST) Regulations; and (iii) existing members of the promoter and promoter group of the Target Company. |
| RBI | Reserve Bank of India |
| Registrar/Registrar to the Open Offer/Registrar to the Offer | Skyline Financial Services Private Limited |
| RTGS | Real Time Gross Settlement |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended or modified |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI (ICDR) Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendment thereto |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended |
| Selling Shareholder/ Promoter Seller | shall mean Ruchir Mittal, promoter of the Target Company. |
| Share Purchase Agreement/ SPA | means the Share Purchase Agreement entered on September 05, 2023, by Acquirer 1 to acquire 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred Fifty) Equity Shares representing 11.18% of the Paid-up Equity Share Capital of the Target Company from the Seller at an agreed price of ₹ 3.56 (Rupees Three and Paise Fifty-six only) per Equity Share aggregating to ₹ 24,32,726 (Rupees Twenty-Four Lakhs Thirty-Two Thousand Seven Hundred Twenty-Six Only). |
| Special Escrow Account | Special Escrow Account opened in accordance with Regulation 21 of the SEBI (SAST) Regulations, under the name and style of “Bharat Patel CFL Special Account” with ICICI Bank Limited, the Escrow banker. |
| Target/Target Company/ CFL | means Classic Filaments Limited |
| Tendering Period | has the meaning ascribed to it under the SEBI (SAST) Regulations |
| Underlying Transaction | The transactions contemplated under the SPA dated September 05, 2023 |

| | |
|----------------|--|
| Working Day(s) | has the meaning ascribed to it under the SEBI (SAST) Regulations |
|----------------|--|

** All capitalized terms used in this Letter of Offer, but not otherwise defined herein, shall have the meanings ascribed thereto in the SEBI (SAST) Regulations.*

2. DISCLAIMER CLAUSES

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS 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 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 SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OPEN OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, FEDEX SECURITIES PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 20, 2023 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”

GENERAL DISCLAIMER

THIS LETTER OF OFFER TOGETHER WITH THE DETAILED PUBLIC STATEMENT AND THE PUBLIC ANNOUNCEMENT IN CONNECTION WITH THE OPEN OFFER, HAVE BEEN PREPARED FOR THE PURPOSES OF COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS OF INDIA, INCLUDING THE SEBI ACT AND THE SEBI (SAST) REGULATIONS, AND HAS NOT BEEN REGISTERED OR APPROVED UNDER ANY LAWS OR REGULATIONS OF ANY COUNTRY OUTSIDE OF INDIA. THE DISCLOSURES IN THIS LETTER OF OFFER AND THE OPEN OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER ARE GOVERNED BY SEBI (SAST) REGULATIONS, AND OTHER APPLICABLE LAWS, RULES AND REGULATIONS OF INDIA, THE PROVISIONS OF WHICH MAY BE DIFFERENT FROM THOSE OF ANY JURISDICTION OTHER THAN INDIA. ACCORDINGLY, THE INFORMATION DISCLOSED MAY NOT BE THE SAME AS THAT WHICH WOULD HAVE BEEN DISCLOSED IF THIS DOCUMENT HAD BEEN PREPARED IN ACCORDANCE WITH THE LAWS AND REGULATIONS OF ANY JURISDICTION OUTSIDE OF INDIA. THE INFORMATION CONTAINED IN THIS LETTER OF OFFER IS AS OF THE DATE OF THIS LETTER OF OFFER. THE ACQUIRERS, THE MANAGER TO THE OPEN OFFER AND ANY DEEMED PERSONS ACTING IN CONCERT WITH THE ACQUIRERS ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS LETTER OF OFFER.

NO ACTION HAS BEEN OR WILL BE TAKEN TO PERMIT THIS OPEN OFFER IN ANY JURISDICTION WHERE ACTION WOULD BE REQUIRED FOR THAT PURPOSE. THE LETTER OF OFFER SHALL BE DISPATCHED TO ALL PUBLIC SHAREHOLDERS HOLDING THE EQUITY SHARES WHOSE NAMES APPEAR IN THE RECORDS OF DEPOSITORIES, AT THEIR STATED ADDRESS, AS OF THE IDENTIFIED DATE. HOWEVER, RECEIPT OF THE LETTER OF OFFER BY ANY PUBLIC SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OPEN OFFER, OR WHERE MAKING THIS OPEN OFFER WOULD REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THE LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS OF SUCH JURISDICTION), SHALL NOT BE TREATED

BY SUCH PUBLIC SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY. PERSONS IN POSSESSION OF THE LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY PUBLIC SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THIS OPEN OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THIS OPEN OFFER.

UNITED STATES OF AMERICA

THE OFFER IS BEING MADE FOR SECURITIES OF AN INDIAN COMPANY AND PUBLIC SHAREHOLDERS OF THE TARGET COMPANY IN THE U.S. SHOULD BE AWARE THAT THIS LOF AND ANY OTHER DOCUMENTS RELATING TO THE OPEN OFFER HAVE BEEN OR WILL BE PREPARED IN ACCORDANCE WITH INDIAN PROCEDURAL AND DISCLOSURE REQUIREMENTS, INCLUDING REQUIREMENTS REGARDING THE OFFER TIMETABLE AND TIMING OF PAYMENTS, ALL OF WHICH DIFFER FROM THOSE IN THE U.S. ANY FINANCIAL INFORMATION INCLUDED IN THIS LOF OR IN ANY OTHER DOCUMENTS RELATING TO THE OFFER HAS BEEN OR WILL BE PREPARED IN ACCORDANCE WITH NON-U.S. ACCOUNTING STANDARDS THAT MAY NOT BE COMPARABLE TO FINANCIAL STATEMENTS OF COMPANIES IN THE U.S. OR OTHER COMPANIES WHOSE FINANCIAL STATEMENTS ARE PREPARED IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

THE RECEIPT OF CASH PURSUANT TO THE OFFER BY A PUBLIC SHAREHOLDER OF THE TARGET COMPANY MAY BE A TAXABLE TRANSACTION FOR U.S. FEDERAL INCOME TAX PURPOSES AND UNDER APPLICABLE U.S. STATE AND LOCAL, AS WELL AS FOREIGN AND OTHER, TAX LAWS. EACH PUBLIC SHAREHOLDER OF THE TARGET COMPANY IS URGED TO CONSULT HIS INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY REGARDING THE TAX CONSEQUENCES OF ACCEPTING THE OFFER.

IT MAY BE DIFFICULT FOR U.S. HOLDERS OF EQUITY SHARES TO ENFORCE THEIR RIGHTS AND ANY CLAIMS THEY MAY HAVE ARISING UNDER THE U.S. FEDERAL SECURITIES LAWS IN CONNECTION WITH THE OFFER, SINCE THE TARGET COMPANY AND THE ACQUIRERS ARE INCORPORATED IN COUNTRIES OTHER THAN THE U.S., AND SOME OR ALL OF THEIR OFFICERS AND DIRECTORS MAY BE RESIDENTS OF COUNTRIES OTHER THAN THE U.S. HOLDERS OF EQUITY SHARES IN THE TARGET COMPANY MAY NOT BE ABLE TO SUE THE TARGET COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE OFFICERS OR DIRECTORS IN A NON-U.S. COURT FOR VIOLATIONS OF U.S. SECURITIES LAWS. FURTHER, IT MAY BE DIFFICULT TO COMPEL THE TARGET COMPANY, THE ACQUIRERS OR THEIR RESPECTIVE AFFILIATES TO SUBJECT THEMSELVES TO THE JURISDICTION OR JUDGMENT OF A U.S. COURT.

NEITHER THE U.S. SECURITIES EXCHANGE COMMISSION NOR ANY U.S. STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE OFFER, OR PASSED ANY COMMENT UPON THE ADEQUACY OR COMPLETENESS OF THIS LOF. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE U.S.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES

THIS LETTER OF OFFER HAS NOT BEEN FILED, REGISTERED OR APPROVED IN ANY JURISDICTION OUTSIDE INDIA. RECIPIENTS OF THIS LETTER OF OFFER RESIDENT IN JURISDICTIONS OUTSIDE INDIA SHOULD INFORM THEMSELVES OF AND OBSERVE ANY APPLICABLE LEGAL REQUIREMENTS. THIS OFFER IS NOT DIRECTED TOWARDS ANY PERSON OR ENTITY IN ANY JURISDICTION OR COUNTRY WHERE THE SAME WOULD BE CONTRARY TO THE APPLICABLE LAWS OR REGULATIONS OR WOULD SUBJECT THE ACQUIRERS, OR THE MANAGER TO THE OFFER TO ANY NEW OR ADDITIONAL REGISTRATION REQUIREMENTS. RECEIPT OF THE LETTER OF OFFER BY ANY SHAREHOLDER IN A JURISDICTION IN WHICH IT WOULD BE ILLEGAL TO MAKE THIS OFFER, OR WHERE MAKING THIS OFFER WOULD

REQUIRE ANY ACTION TO BE TAKEN (INCLUDING, BUT NOT RESTRICTED TO, REGISTRATION OF THIS LETTER OF OFFER UNDER ANY LOCAL SECURITIES LAWS), SHALL NOT BE TREATED BY SUCH SHAREHOLDER AS AN OFFER BEING MADE TO THEM AND SHALL BE CONSTRUED BY THEM AS BEING SENT FOR INFORMATION PURPOSES ONLY. THIS LETTER OF OFFER DOES NOT IN ANY WAY CONSTITUTE AN OFFER TO PURCHASE OR AN INVITATION TO SELL, ANY SECURITIES IN ANY JURISDICTION IN WHICH SUCH OFFER OR INVITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. PERSONS IN POSSESSION OF THIS LETTER OF OFFER ARE REQUIRED TO INFORM THEMSELVES OF ANY RELEVANT RESTRICTIONS IN THEIR RESPECTIVE JURISDICTIONS. ANY SHAREHOLDER WHO TENDERS HIS, HER OR ITS EQUITY SHARES IN THE OFFER SHALL BE DEEMED TO HAVE DECLARED, REPRESENTED, WARRANTED AND AGREED THAT HE, SHE OR IT IS AUTHORISED UNDER THE PROVISIONS OF ANY APPLICABLE LOCAL LAWS, RULES, REGULATIONS AND STATUTES TO PARTICIPATE IN THE OFFER.

3. DETAILS OF THE OPEN OFFER

3.1 Background to the Open Offer

- 3.1.1. This Open Offer is a Mandatory Offer under Regulation 4 of the SEBI (SAST) Regulations, 2011. The Offer Price will be payable in cash by the Acquirers, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations, 2011.
- 3.1.2. Acquirer 1 has entered into the SPA with the Promoter Seller on September 05, 2023, pursuant to which Acquirer 1 has agreed to acquire 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred Fifty) fully paid-up Equity Shares (“**Sale Shares**”) of ₹ 10/- (Rupees Ten Only) each representing 11.18% (Eleven point Eighteen Percentage) of the total Voting Share Capital of the Target Company at a price of ₹ 3.56 (Rupees Three and Fifty-six Paise Only) per Equity Shares aggregating to ₹ 24,32,726 (Rupees Twenty-Four Lakhs Thirty-Two Thousand Seven Hundred Twenty-Six Only), subject to such terms and conditions as mentioned in the SPA (“**Underlying Transactions**”). The consideration for the Sale Shares shall be paid in cash by Acquirer 1.
- 3.1.3. Upon completion of the Underlying Transaction, the Acquirers will be exercising joint control over the Target Company and Acquirer 1 will be the largest shareholder of the Target Company, and consequently the Acquirers shall be classified as ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the Offer, the erstwhile Promoter shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoter of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations.
- 3.1.4. Acquirer 1 has agreed to purchase the Sale Shares and the respective rights and obligations of the Seller and the Acquirers in this respect.

The salient feature of the Share Purchase Agreement (“SPA”) dated September 05, 2023 are as under:

- i. The Selling Shareholder has agreed to sell and transfer to the Acquirer 1 and the Acquirer 1 has agreed to purchase the Sale Shares in terms of the SPA.
 - ii. The Parties agree that the purchase of the Sale Shares by the Purchaser and the payment of the Purchase price by the Purchaser for the Sale Shares shall take in the manner stated in the SPA.
 - iii. In consideration for the sale and transfer of the Sale Shares, Acquirer 1 shall pay the Purchase Consideration to the Seller, in proportion to the number of Sale Shares being sold by them, in accordance with the terms and conditions of the Agreement.
 - iv. The mode of payment of consideration for the Acquisition of the Sales Shares by the Acquirer 1 is in cash.
 - v. The Acquirer 1 may complete the acquisition of Equity Shares at the expiry of 21 (Twenty-One) working days from the date of Detail Public Statement of this Open Offer as per regulation 22(2) of SEBI (SAST) Regulations.
 - vi. The parties agree that the obligations of the Acquirer 1 to purchase Sale Shares is as per the conditions as set out in the SPA.
 - vii. The sale and purchase of Sale Shares is subject to compliance with the provisions of SEBI (SAST) Regulations.
 - viii. The object and purpose of acquisition of Sale Shares by the Acquirers is to take control and expand and consolidate the shareholding and voting rights of the Acquirers in the Target Company in line with their strategic intent to have a sustained growth in the Target Company.
- 3.1.5. This Open Offer is for acquisition of up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital of the Target Company. The details of the Underlying Transaction are set out below:

| Type of transaction (direct/indirect) | Mode of transaction (agreement/ allotment/ market purchase) | Shares/voting rights acquired/ proposed to be acquired | Total consideration for shares/ voting | Mode of payment | Regulation which has triggered |
|---------------------------------------|---|--|--|-----------------|--------------------------------|
|---------------------------------------|---|--|--|-----------------|--------------------------------|

| | | No. of Shares | % vis-à-vis Voting Share Capital* | rights acquired (INR)* | | |
|--------|---|---------------|-----------------------------------|------------------------|------|---|
| Direct | SPA – Acquirer 1 entered into a SPA with the Selling Shareholder to acquire the Sale Shares, subject to, and in accordance with, the terms of the SPA and completion of the Open Offer. | 6,83,350 | 11.18% | ₹ 24,32,726 | Cash | Regulation 4 of the SEBI (SAST) Regulations |

3.1.6. The prime objective of the Acquirers for under taking the Proposed Transaction is to have joint control amongst the Acquirers and consequently substantial holding of Equity Shares and voting rights of the Target Company pursuant to this Offer.

3.1.7. The current and proposed (post-Offer) shareholding of the Acquirers in the Target Company are as follows:

| Details | Acquirer 1 [^] | | Acquirer 2 [^] | | Acquirer 3 [^] | | Acquirer 4 [^] | |
|--|-------------------------|--------|-------------------------|--------|-------------------------|--------|-------------------------|--------|
| | No. of Equity Shares | % | No. of Equity Shares | % | No. of Equity Shares | % | No. of Equity Shares | % |
| Shareholding as on the date of the PA | NIL* | - | NIL | - | 25,000 | 0.41% | NIL | - |
| Shares acquired between the date of the PA and the date of the DPS | NIL | - | NIL | - | NIL | - | NIL | - |
| Shareholding as on the date of the DPS | NIL* | - | NIL | - | 25,000 | 0.41% | NIL | - |
| Equity Shares proposed to be acquired through Open Offer ^{^^} | 4,47,620 | 7.32% | 11,30,970 | 18.50% | 11,30,970 | 18.50% | 11,30,970 | 18.50% |
| Post Offer shareholding as of the 10th working day after the Tendering Period (assuming the entire 62.82% is tendered in the Offer) ^{^^^} | 11,30,970 | 18.50% | 11,30,970 | 18.50% | 11,55,970 | 18.91% | 11,30,970 | 18.50% |

* 25,000 shares of the Target Company are held by Ms. Mamta Patel, deceased wife of Mr. Bharat Patel, Acquirer 1 are yet to be transmitted.

[^]Calculated on the Share Capital.

^{^^} Assuming full Acceptance of the Open offer

^{^^^} Upon completion of the Proposed Transaction, the Acquirers will be holding 74.41% of Share Capital of the Target Company. The proposed acquisition by the Acquirers is with an intention to acquire Share Capital and control the Target Company. Acquirers shall become the promoters of the Target Company in accordance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations”).

3.1.8. The Acquirers are making this Open Offer under Regulation 4 of SEBI (SAST) Regulations, to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital of the Target Company from the Public Shareholders of Target Company on the terms and subject to the conditions set out in this Letter of Offer, at a price of ₹ 6.60/- per equity share. These Shares are to be

acquired by the Acquirers, free from all lien, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

- 3.1.9. There is no person acting in concert/s with the Acquirers within the meaning of Regulation 2(1)(q) of the SEBI (SAST) Regulations.
- 3.1.10. As on the date of this LOF, the Acquirers have not 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 other regulation made under the SEBI Act.
- 3.1.11. As on the date of this LOF, the Acquirers have not been categorized in the list of willful defaulters or fraudulent borrower of any bank, financial institution, or consortium thereof in accordance with guidelines on willful defaulters issued by Reserve Bank of India.
- 3.1.12. As on the date of this LOF, the Acquirers have not been categorized as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018.
- 3.1.13. The Manager to the Open Offer i.e., Fedex Securities Private Limited does not hold any Shares in the Target Company as on the date of appointment as Manager to the Open Offer. They declare and undertake that they shall not deal on their own account in the Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.1.14. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors, to provide its written reasoned recommendation on the Open Offer, to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers where the DPS and Corrigendum was published.
- 3.1.15. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company is below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Acquirers will ensure compliance with the minimum public shareholding requirements in such manner and timelines prescribed under applicable law.

3.2 Details of the proposed Offer

- 3.2.1 The PA announcing the Open Offer, under Regulation 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was made by the Manager to the Open Offer on behalf of the Acquirers and was filed on September 05, 2023 with SEBI, BSE and the Target Company. The copy of the PA was sent to the SEBI on September 06, 2023 in terms of Regulation 14(1) & 14(2) of the SEBI (SAST) Regulations. The PA is available on the website of SEBI at www.sebi.gov.in.
- 3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations the DPS and the Corrigendum was published in the following newspapers on September 12, 2023 and September 26, 2023, respectively:

| Publication | Language | Edition |
|--------------------|-----------------|---|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Janadesh | Gujarati | Gujarat Edition (being the regional language of the place where the registered office of the Target Company is situated) |
| Navshakti | Marathi | Mumbai edition (being the place of the stock exchange where the maximum volume of trading in the shares of the Target Company were recorded during the sixty trading days preceding the date of the PA) |

A copy of the DPS and the Corrigendum was also submitted to SEBI and the BSE and sent to the Target Company on September 12, 2023 and September 26, 2023, respectively. The DPS and the Corrigendum are also available on the website of SEBI at www.sebi.gov.in.

- 3.2.2 This Open Offer is being made by the Acquirers to all the Public Shareholders of the Target Company to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares of ₹ 10/- each representing up to 62.82% of the Voting Share Capital, at a price of ₹ 6.60 (Rupees Six and Paise Sixty only) per Offer Share (“**Offer Price**”), which has been calculated in accordance Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, aggregating to a total consideration of ₹ 2,53,47,498 (Rupees Two Crore Fifty-Three Lakhs Forty-Seven Thousand Four Hundred Ninety-Eight Only) (“**Maximum Open Offer Consideration**”), subject to the terms and conditions mentioned herein.
- 3.2.3 As on the date of this LOF, there are no outstanding partly paid-up Equity Shares of the Target Company or outstanding convertible instruments (warrants/ fully convertible debentures/ partially convertible debentures) other than ESOPs issued by the Target Company.
- 3.2.4 There is no differential pricing in the Offer.
- 3.2.5 The Offer Price will be paid in cash in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.
- 3.2.6 This Open Offer is not a competing offer and there is no competing offer as on the date of this LOF in terms of Regulation 20 of the SEBI (SAST) Regulations
- 3.2.7 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.8 The Acquirers has not acquired Equity Shares during period of 52 (Fifty-Two) weeks prior to the date of the Public Announcement. The Acquirers have not acquired any Equity Shares of the Target Company between the date of the PA (i.e., September 05, 2023) and up to the date of this LOF. The Acquirers shall disclose any acquisitions made by the Acquirers during the Offer Period of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchanges and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.
- 3.2.9 To the best of the knowledge of the Acquirers, no statutory or regulatory approvals are required by the Acquirers to complete this Offer. However, in case any statutory or regulatory approval is required by the Acquirers at a later date, this Offer shall be subject to such approvals and the Acquirers shall make the necessary applications for such approvals. The Acquirers will have the right to withdraw this Offer in accordance with Regulation 23 of the SEBI (SAST) Regulations, if any statutory or regulatory approval, as may be required, are not received or are refused for any reasons which are outside of the reasonable control of the Acquirers. In the event of withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the DPS in relation to the Offer was published and such public announcement will also be sent to SEBI, the Stock Exchanges and to the Target Company.
- 3.2.10 Where any statutory, regulatory or other approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Offer.
- 3.2.11 The acquisition of Equity Shares tendered by NRIs and OCBs is subject to regulatory approvals (and where applicable) such OCBs and NRIs must submit the approvals/ exemptions from the RBI along with the Form of Acceptance-cum-Acknowledgement for tendering their Equity Shares in the Offer.
- 3.2.12 The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the Acquirers at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations.
- 3.2.13 The Offer Shares which will be acquired by the Acquirers, shall be fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder(s) shall have obtained all necessary consents required by them to tender the Equity Shares in the Offer accordingly.

- 3.2.14 The Equity Shares of the Target Company are listed on BSE (Security ID: CFL; Scrip Code: 540310).
- 3.2.15 As per Regulation 38 of the SEBI (LODR) Regulations, as amended, read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain MPS, as determined in accordance with SCRR, on a continuous basis for listing. The completion of this Offer will not result in a breach of the requirement to maintain MPS.

3.3 OBJECT OF THE OPEN OFFER

- 3.3.1 The prime objective of the Acquirers for under taking the Proposed Transaction is to have joint control amongst the Acquirers and consequently substantial holding of Equity Shares and voting rights of the Target Company pursuant to this Offer.
- 3.3.2 Upon completion of the Underlying Transaction, the Acquirers will be exercising joint control over the Target Company and Acquirer 1 will be the largest shareholder of the Target Company, and consequently the Acquirers shall be classified as ‘Promoters’ of the Target Company in accordance with the applicable laws. Upon completion of the Offer, the erstwhile promoter shall not hold any management control, nor do they hold any Equity Shares of the Target Company, and shall cease to be promoter of the Target Company and the Acquirers shall be the new promoters of the Target Company, subject to compliance with conditions specified in Regulation 31A of the SEBI (LODR) Regulations
- 3.3.3 The Acquirers intend to expand the Target Company’s business activities by carrying on additional business for commercial reasons and operational efficiencies. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with applicable laws.
- 3.3.4 The Acquirers have proposed to continue the business as specified under the object clause of Memorandum of Association of the Target Company and may diversify its business activities in the future with the prior approval of the shareholders. The main purpose of this takeover is to expand the Target Company’s business activities in same or diversified line of business through exercising effective control over the Target Company. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.5 Currently, the Acquirers do not have any intention to dispose of or otherwise encumber any material assets or investments of the Target Company, by way of sale, lease, encumbrance, reconstruction, restructuring or otherwise for a period of 2 (Two) years from the closure of this Open Offer except: (a) in the ordinary course of business; and (b) on account of regulatory approvals or conditions or compliance with any law that is binding on or applicable to the operations of the Target Company. If the Acquirers intend to alienate any material asset of the Target Company, within a period of 2 years from completion of the Open Offer, the Target Company shall seek the approval of its shareholders as per the proviso to Regulation 25(2) of SEBI (SAST) Regulations before undertaking any such alienation.
- 3.3.6 Post-completion of acquisition of Offer Shares as contemplated under this Offer, assuming full acceptance of the Offer, the Acquirers shall hold majority of the Equity Shares of the Target Company and they will be in a position to exercise effective joint management and control over the Target Company.

4. BACKGROUND OF THE ACQUIRERS

4.1 INFORMATION ABOUT Mr. BHARAT PATEL (‘ACQUIRER 1’)

- 4.1.1 Mr. Bharat Patel s/o Mr. Anandkumar Patel aged about 47 years, is an Indian resident bearing Permanent Account Number “AAJPP2117Q” under the Income-tax Act, 1961 and residing at 203, Shaleen Apartment, Muralidhar Road, Ghod Dod Road, Umra, Surat – 395007, Gujarat, India. His mobile number is +91 93747 29793 and his email id is bv_patel@hotmail.com.

- 4.1.2 Acquirer 1 holds a bachelor's degree in commerce from University of Mumbai. Acquirer 1 has experience of more than 20 years in the Textile industry. Acquirer 1 has been associated with the Target Company for the last 8 years as the Executive Director and CFO of the Target Company. Acquirer 1 is also on the Audit Committee and Stakeholders Relationship Committee of the Target Company.
- 4.1.3 As on the date of this LOF, Acquirer 1 is not holding any Equity Shares of the Target Company. However, 25,000 Equity Shares are held in the name of Ms. Mamta Patel, deceased wife of Acquirer I. These shares are yet to be transmitted. Acquirer 1 has not acquired / sold any Equity Shares of the Target Company between the date of the Public Announcement, i.e., September 5, 2023 and the date of this LOF and during the 52 weeks prior to the date of PA.
- 4.1.4 The details of the ventures promoted and controlled by the Acquirer 1 is given as under:

| Sr. No. | Company Name | Nature of Interest | Percentage/stake of holding % | Listed (if Yes On which Stock Exchange) |
|---------|---|--------------------------|-------------------------------|---|
| 1. | Gama Corporate Ventures Private Limited | Director and shareholder | 50.00% | No |
| 2. | Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021) * | Shareholder | 0.25% | No |

** Parjanya Infraprojects Private Limited was floated for one project only and was struck-off on completion of that project.*

- 4.1.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231W) has certified vide Certificate dated December 05, 2023 bearing UDIN 23116110BGUBRS6920 that the net worth of Acquirer 1 as on March 31, 2023 is ₹ 1685.36 Lakhs and that there is no significant change in the networth of the Acquirer 1, since March 31, 2023 (based on his audited balance sheet and includes the audited figures of Association of Person(s)/Bodies Corporate(s)).
- 4.1.6 As on the date of this LOF, Acquirer 1 has sufficient resources to fulfill the obligations under this Offer.
- 4.1.7 As on the date of this LOF, Acquirer 1 confirms that he has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.1.8 As on the date of this LOF, Acquirer 1 has confirmed that he has not been categorized as a '**willful defaulter**' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 1 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the "Wilful Defaulter" list of the Reserve Bank of India.
- 4.1.9 As on the date of this LOF, Acquirer 1 confirms that he has not been declared as a '**Fugitive Economic Offender**' under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.1.10 Acquirer 1 does not form part of any group. Further, Acquirer 1 is not forming part of the present promoters and promoter group of the Target Company.
- 4.1.11 Acquirer 1 undertakes that he will not sell/deal with any Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.1.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 1 ("**Deemed PACs**"), such Deemed PACs are not acting in concert with Acquirer 1 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.1.13 Acquirer 1 and Acquirer 2 are immediate relatives, as Acquirer 2 is the brother of Acquirer 1. Acquirer 1 is not related to Acquirer 3 or Acquirer 4.

4.2 Mr. Amit Patel ('Acquirer 2')

- 4.2.1 Mr. Amit Patel S/o Mr. Anandkumar Patel aged about 43 years, is an Indian resident bearing Permanent Account Number "AIWPP3314N" under the Income-tax Act, 1961 and residing at 13, Meera Nagar, Ram Chowk, Ghod Dod Road, Umra, Surat - 395007, Gujarat, India. His mobile number is +91 93740 77567 and his email id is priyankaart@gmail.com.
- 4.2.2 Acquirer 2 holds MBBS degree from Maharashtra University of Health Sciences, Nashik and MS in Orthopedics from MGM Institute of Health Sciences.
- 4.2.3 As on the date of this LOF, Acquirer 2 is not holding any Equity Shares of the Target Company.
- 4.2.4 Acquirer 2 does not hold any position in the Target Company.
- 4.2.5 The details of the ventures promoted and controlled by the Acquirer 2 is given as under:

| Sr. No. | Company Name | Nature of Interest | Percentage/stake of holding % | Listed (if Yes On which Stock Exchange) |
|---------|---|--------------------------|-------------------------------|---|
| 1. | Gama Corporate Ventures Private Limited | Director and shareholder | 40.00% | No |
| 2. | Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021) * | Shareholder | 24.25% | No |

** Parjanya Infraprojects Private Limited was floated for one project only and was struck-off on completion of that project.*

- 4.2.6 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide letter dated December 05, 2023 bearing UDIN 23116110BGUBRT9417 that the net worth of Acquirer II as on March 31, 2023 is ₹ 315.25 Lakhs and that there is no significant change in the networth of the Acquirer 2, since March 31, 2023 (based on his audited balance sheet and includes the audited figures of Association of Person(s)/Bodies Corporate(s)).
- 4.2.7 As on the date of this LOF, Acquirer 2 has sufficient resources to fulfill the obligations under this Offer.
- 4.2.8 As on the date of this LOF, Acquirer 2 confirms that he has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.2.9 As on the date of this LOF, Acquirer 2 confirms that he has not been categorized as a '**willful defaulter**' in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 2 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the "Willful Defaulter" list of the Reserve Bank of India
- 4.2.10 Acquirer 2 do not form part of any group. Further, Acquirer 2 is not forming part of the present promoters and promoter group of the Target Company.
- 4.2.11 As on the date of this LOF, Acquirer 2 confirms that he has not been declared as a '**Fugitive Economic Offender**' under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.2.12 Acquirer 2 undertakes that he will not sell/deal with the Equity Shares of the Target Company, if any during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.

- 4.2.13 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 2 (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 2 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.2.14 Acquirer 1 and Acquirer 2 are immediate relatives, as Acquirer 2 is the brother of Acquirer 1. Acquirer 2 is not related to Acquirer 3 or Acquirer 4 in any manner.

4.3 Mr. Jayanti Gaudani (‘Acquirer 3’)

- 4.3.1 Mr. Jayanti Gaudani S/o Mr. Madhubhai Gaudani aged about 45 years, is an Indian resident bearing Permanent Account Number “ADZPG7704R” under the Income-tax Act, 1961 and residing at B/404, Ashoka Madhuban Society, Raheja Township, Rani Sati Road, Near Saibaba Mandir, Malad (East), Mumbai-400097, Maharashtra, India. His mobile number is +91 98251 40016 and his email id is jmgaudani27@yahoo.com.
- 4.3.2 Acquirer 3 is an under-graduate and has completed his studies till S.Y.B. Com from Mumbai University. Acquirer 3 had experience for more than 15 years in Textile industry. Acquirer 3 has been associated with the Target Company for the last 8 years as the Managing Director of the Target Company. Acquirer 3 is not a member of any committee of the Target Company.
- 4.3.3 As on the date of this LOF, Acquirer 3 is holding 25,000 Equity Shares constituting 0.41% of the Target Company.
- 4.3.4 The details of the ventures promoted and controlled by the Acquirer 3 is given as under:

| Sr. No. | Company Name | Nature of Interest | Percentage/stake of holding % | Listed (if Yes On which Stock Exchange) |
|---------|---|--------------------|-------------------------------|---|
| 1. | Parjanya Infra Projects Private Limited (The company has been struck off on 26.10.2021) | Shareholder | 24.25% | No |

** Parjanya Infraprojects Private Limited was floated for one project only and was struck-off on completion of that project.*

- 4.3.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide Certificate dated December 05, 2023 bearing UDIN 23116110BGUBRR1685 that the net worth of Acquirer 3 as on March 31, 2023 is ₹ 295.01 Lakhs and that there is no significant change in the networth of the Acquirer 3, since March 31, 2023 (based on his audited balance sheet and includes the audited figures of Association of Person(s)/Bodies Corporate(s)).
- 4.3.6 As on the date of this LOF, Acquirer 3 has sufficient resources to fulfill the obligations under this Offer.
- 4.3.7 As on the date of this LOF, Acquirer 3 confirms that he has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.3.8 As on the date of this LOF, Acquirer 3 confirms that he has not been categorized as a ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 3 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the “Willful Defaulter” list of the Reserve Bank of India.
- 4.3.9 As on the date of this LOF, Acquirer 3 confirms that he has not been declared as a ‘**Fugitive Economic Offender**’ under the provisions of the Fugitive Economic Offenders Act, 2018.

- 4.3.10 Acquirer 3 do not form part of any group. Further, Acquirer 3 is not forming part of the present promoters and promoter group of the Target Company.
- 4.3.11 Acquirer 3 undertakes that he will not sell the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.3.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer 3 (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 3 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.3.13 Acquirer 3 and Acquirer 4 are immediate relatives, as Acquirer 4 is the brother of Acquirer 3. Acquirer 3 is not related to Acquirer 1 or Acquirer 2 in any manner.

4.3 Mr. Ajay Gaudani (‘Acquirer 4’)

- 4.3.1 Mr. Ajay Gaudani s/o Mr. Madhubhai Gaudani aged about 42 years, is an Indian resident bearing Permanent Account Number “AIUPG4665R” under the Income Tax Act, 1961 and residing at A-501, Victoria Heritage, Beside Status 20, Near Gangotri Circle, Nikol, Ahmedabad-382350, Gujarat, India. His mobile number is +91 9687749944 and his email id is aj.gaudani@hotmail.com.
- 4.3.2 Acquirer 4 is an under-graduate and completed his HSC from Maharashtra Board. Acquirer 4 has experience in the Real Estate industry. Acquirer 4 is not associated with the Target Company in any capacity.
- 4.3.3 As on the date of this LOF, Acquirer 4 is not holding any equity shares of the Target Company.
- 4.3.4 The details of the ventures promoted and controlled by the Acquirer 4 is given as under:

| Sr. No. | Company Name | Nature of Interest | Percentage/stake of holding % | Listed (if Yes On which Stock Exchange) |
|---------|-----------------------|--------------------|-------------------------------|---|
| 1. | Victoria Buildcon LLP | Designated Partner | 50.00% | No |

- 4.3.5 M/s. D M D & Co, Chartered Accountants (FRN: 153231) has certified vide Certificate dated December 05, 2023, bearing UDIN 23116110BGUBRU4986 that the net worth of Acquirer IV as on March 31, 2023 is ₹ 383.77 Lakhs and that there is no significant change in the networth of the Acquirer 4, since March 31, 2023 (based on his audited balance sheet and includes the audited figures of Association of Person(s)/Bodies Corporate(s)).
- 4.3.6 As on the date of this LOF, Acquirer 4 has sufficient resources to fulfill the obligations under this Offer.
- 4.3.7 As on the date of this LOF, Acquirer 4 confirms that he has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act as amended or under any other regulations made under the SEBI Act.
- 4.3.8 As on the date of this LOF, Acquirer 4 confirms that he has not been categorized as a ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. Acquirer 4 further confirms that the other companies in which he is associated as a Promoter or a Director are not appearing in the “Willful Defaulter” list of the Reserve Bank of India.
- 4.3.9 As on the date of this LOF, Acquirer 4 confirms that he has not been declared as a ‘**Fugitive Economic Offender**’ under the provisions of the Fugitive Economic Offenders Act, 2018.
- 4.3.10 Acquirer 4 do not form part of any group. Further, Acquirer 4 is not forming part of the present promoters and promoter group of the Target Company.

- 4.3.11 Acquirer 4 undertakes that he will not sell sell/deal with the Equity Shares of the Target Company during the Offer period in terms of Regulation 25(4) of SEBI (SAST) Regulations.
- 4.3.12 There are no Persons Acting in Concert in relation to the Offer within the meaning of Regulation 2(1)(q)(1) of the SEBI SAST Regulations. While persons may be deemed to be acting in concert with Acquirer IV (“**Deemed PACs**”), such Deemed PACs are not acting in concert with Acquirer 4 for the purposes of this Offer, within the meaning of Regulations 2(1)(q)(1) of the SEBI SAST Regulations.
- 4.3.13 Acquirer 3 and Acquirer 4 are immediate relatives, as Acquirer 4 is the brother of Acquirer 3. Acquirer 4 is not related to Acquirer 1 or Acquirer 2.

5. DETAILS OF SELLING SHAREHOLDER:

5.1 The Acquirer 1 have entered into the Share Purchase Agreement (“SPA”) with the Selling Shareholder, on September 05, 2023, for acquisition of the Sale Shares (i.e. 6,83,350 (Six Lakhs Eighty-Three Thousand Three Hundred and Fifty Only) fully paid-up Equity Shares of ₹ 10/- each representing 11.18% of the Voting Share Capital of the Target Company) at a price of ₹ 3.56 (Rupees Three and Paise Fifty-six) per Equity Share aggregating to ₹24,32,726 (Rupees Twenty Four Lakhs Thirty-two Thousand Seven Hundred and Twenty-Six), subject to the terms and the conditions as mentioned in the SPA.

5.2 The details of Selling Shareholder, who have entered in to the Share Purchase Agreement are stated hereunder:

| Sr. No. | Name of the Selling Shareholder | Address | Nature of Entity | Name of the group | Name of the stock exchange in India or abroad, where listed (if applicable) | Part of Promoter / Promoter group (Yes / No) | Details of Shares / Voting Rights held by the Selling Shareholder | | | |
|--------------|---------------------------------|--|------------------|-------------------|---|--|---|----------------------------------|----------------------|----------------------------------|
| | | | | | | | Pre-Transaction | | Post-Transaction | |
| | | | | | | | No. of Equity Shares | % vis-à-vis voting share capital | No. of Equity Shares | % vis-à-vis voting share capital |
| 1 | Ruchir Mittal | L-724, Ashirwad Palace, Behind Jivkor Nagar, Bhatar, Surat, Gujarat - 395017 | Individual | - | N.A. | Yes | 6,83,350 | 11.18% | NIL | NIL |
| Total | | | | | | | 6,83,350 | 11.18% | NIL | NIL |

- 5.3 As on the date of this LOF, the Selling Shareholder has confirmed that he has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act, 1992 and subsequent amendments thereto or under any other regulations made there under.
- 5.4 There is no lien, encumbrance or lock-in on the Equity Shares held by the Selling Shareholder and shares will be transferred free from all encumbrances, and lock-in requirements.
- 5.5 Post completion of the Offer formalities, the Seller shall relinquish the control and management of the Target Company in favour of the Acquirer 1, in accordance with and in compliance with Regulation 31A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI (LODR) Regulations, 2015”).

- 5.6 As on the date of this LOF, the Selling Shareholder has been categorised as ‘**willful defaulter**’ in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations. The Promoter seller has not shared updated disclosure with respect to his status on wilful defaulter and or any non-compliance, hence, this disclosure is based on the letter dated October 17, 2023 and the affidavit dated September 18, 2023, received from the seller.
- 5.7 As on the date of this LOF, the Selling Shareholder has not been declared as a fugitive economic offender under section of the Fugitive Economic Offenders Act, 2018. The Promoter seller has not shared updated disclosure with respect to his status on fugitive economic offender and or any non-compliance, hence, this disclosure is based on the letter dated October 17, 2023 and the affidavit dated September 18, 2023, received from the seller.
- 5.8 The Selling Shareholder is not related to the Acquirers in any manner.

6. BACKGROUND OF THE TARGET COMPANY, CLASSIC FILAMENTS LIMITED

- 6.1 Classic Filaments Limited, the Target Company is a public listed company and was incorporated under the provisions of the Companies Act, 1956 on April 24, 1990 as a private limited company in the name and style of V. Natwarlal Synthetics Private Limited. The name of the Target Company was changed to Classic Filaments Private Limited on September 10, 1993. The Target company was subsequently converted into a Public Limited Company i.e., Classic Filaments Limited vide fresh certificate dated February 15, 1995. There has been no change in the name of the Target Company in the last three years.
- 6.2 The Registered Office of the Target Company is situated at Plot No. 1, Priyanka House, Umiyadham Road, Varachha, Surat – 395006, Gujarat, India, and the contact details of the Target Company are as follows Email: classicfilaments@ymail.com, Telephone number is 0261-2540570, and website is www.classicfilamentsltd.com. The Corporate Identification Number (CIN) of the Target Company is L17114GJ1990PLC013667
- 6.3 The Target Company is engaged in the business of Trading in Textile products. The Target Company is not undertaking any operations since last 2 years.
- 6.4 The Target Company was listed during the financial year 1995-96 on the Vadodara Stock Exchange, Ahmedabad Stock Exchange and The Stock Exchange, Mumbai. Subsequently, due to failure to comply with the listing requirements, the Stock Exchange, Mumbai compulsorily delisted the shares of the Target Company on April 20, 2004. Later, the Target Company got its Equity Shares listed on BSE Limited, under the Direct Listing process on February 22, 2017, consequent to the derecognition of the Vadodara Stock Exchange and Ahmedabad Stock Exchange, regional stock exchanges. Since then the Equity Shares of the Target Company were listed on BSE Limited. The Equity Shares of the Target Company are presently listed on BSE Ltd (Security ID: CFL, Security Code: 540310). The ISIN of the Equity Shares of the Target Company is INE181U01018. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- 6.5 The Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited on March 31, 2023.
- 6.6 As on date of this LOF, the trading in Equity Shares of the Target Company is not suspended at BSE Limited. The trading in Equity Shares of Target Company is under XT/T+1 Category.
- 6.7 As on the date of this LOF, the Authorised Share Capital of the Target Company is ₹ 7,50,00,000 (Rupees Seven Crores Fifty Lakhs Only) consisting of 75,00,000 (Seventy-Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each. The issued, subscribed and fully paid-up Share Capital of the Target Company is ₹ 6,11,33,500 (Rupees Six Crores Eleven Lakhs Thirty-Three Thousand Five Hundred Only) consisting of 61,13,350 (Sixty-One Lakhs Thirteen Thousand Three Hundred Fifty) Equity Shares of ₹ 10/- (Rupees Ten Only) each.
- 6.8 The share capital structure of the Target Company is as follows:

| Particulars | Number of Equity Shares | % of shares or voting rights |
|--|-------------------------|------------------------------|
| Fully paid-up Equity Shares | 61,13,350 | 100.00 |
| Partly paid-up Equity Shares | - | - |
| Total paid-up Equity Shares | 61,13,350 | 100.00 |
| Total voting rights in Target Company | 61,13,350 | 100.00 |

6.9 As on the date of this LOF, there are no: (a) partly paid-up Equity Shares; and/or (b) outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures or warrants), issued by the Target Company.

6.10 The Board of Directors of the Target Company as on the date of LOF are as follow:

| Name of the Director | DIN | Date of Appointment | Designation |
|----------------------|----------|----------------------------------|-------------------------------------|
| Jayanti Gaudani | 03571671 | May 24, 2015 | Managing Director |
| Bharat Patel | 00249234 | May 24, 2015 | Director / CFO |
| Bhavesh Dholiya | 07641315 | August 10, 2022 (second term) | Non- Executive Independent Director |
| Arunaben V Kachchhi | 07915688 | September 01, 2022 (second term) | Non- Executive Independent Director |

* Mr. Subhash Patle has resigned as Independent Director of the Target Company with effect from August 18, 2023

6.11 There has been no merger/ de-merger, spin off during last 3 years involving the Target Company.

6.12 The Target Company is not registered with any regulatory or governmental authority in any capacity and hence is not required to obtain any No Objection Certificate from any regulatory or governmental authority for effecting change in control of the Target Company

6.13 Except as mentioned below, there are no instances in the past where the Target Company has delayed any disclosures to be made in accordance with the provisions of SEBI (LODR) Regulations 2015.

| Regulation | Due date of Compliance | Actual date of compliance | Delay / Non - Filing | Remarks |
|------------|------------------------|---------------------------|----------------------|--|
| 7(3) | April 30, 2017 | June 16, 2017 | Filed | - |
| 7(3) | April 30, 2020 | May 13, 2020 | Filed | Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 |
| 31 | July 21, 2019 | July 22, 2019 | Filed | - |
| 31 | April 21, 2020 | May 13, 2020 | Filed | Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 |
| 31(2) | | Not complied | Complied | The shares held by the promoter shareholder were dematerialized in the month of August, 2023** |

| | | | | |
|-------|----------------|---------------|-------|--|
| 40(9) | April 30, 2020 | May 29, 2020 | Filed | Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/CMD1/CIR/P/2020/3 dated March 19, 2020 |
| 40(9) | April 30, 2017 | June 16, 2017 | Filed | - |

**Since the information with respect to filing done post direct listing of the Target Company on February 22, 2017, the same is considered herein above. Further, the Target Company has defaulted / delayed in complying with the erstwhile Listing Agreement requirements prior to direct listing on BSE Limited. However, necessary information with respect to such non-compliance is not available as the Vadodara Stock Exchange and Ahmedabad Stock Exchange is derecognized.*

***The shareholding of the promoter was held in physical form and has been dematerialized in the month of August 2023. Further, the shareholding of the promoter group till their transfer during March 2019 were also held in physical form.*

6.14 Except as mentioned below, there are no instances of delayed disclosures by the Promoters in accordance with the provisions of Chapter V of the SEBI (SAST) Regulations-

| Regulation | Due date of Compliance | Actual date of compliance | Delay / Non - Filing | Remarks |
|---------------|------------------------|---------------------------|----------------------|---|
| 29 (2) | April 02, 2019 | Not Filed | Not Filed | SEBI may take appropriate action against the Promoter and Promoter Group for such non-compliance |
| 31(4) | April 07, 2020 | May 30, 2020 | Filed | Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/DCR1/CIR/P/2020/49 dated March 27, 2020 |
| 30(1) and (2) | April 07, 2020 | May 30, 2020 | Filed | Complied within the extended timeline based on the SEBI relaxation circular SEBI/HO/CFD/DCR1/CIR/P/2020/49 dated March 27, 2020 |

**The sellers being members of the promoter group were wrongly classified as non-promoter/promoter group under the tab Disclosures-SAST on the BSE website. However, in case of the shareholding patterns filed with the exchange, there is no discrepancy in the classification of promoter and promoter group.*

6.15 Except for the promoter and the selling shareholder of the Target Company being declared as a wilful defaulter, the Target Company has not been declared 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, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations; and the promoter has not been declared 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.

6.16 The Promoter seller has not shared updated disclosure with respect to his status on wilful defaulter and or any non-compliance, hence, this disclosure is based on the letter dated October 17, 2023 and the affidavit dated September 18, 2023, received from the Promoter seller.

6.17 As on the date of this LOF, except as set out above, there are no regulatory actions or administrative warnings, directions subsisting or proceedings pending against the Target Company or the Current Promoter which have been issued/ initiated by: (a) SEBI under SEBI Act, 1992 and the regulations made thereunder; and/ or (b) any other regulator. As on the date of this LOF, no penalties have been levied by SEBI/ RBI against the Target Company or the Current Promoter and Promoter Group of the Target Company.

6.18 As on the date of this LOF, the current promoter of the Target Company has not sought any general exemption under Regulation 10 of the SEBI (SAST) Regulations, and, accordingly, no report under Regulation 10(7) of the SEBI (SAST) Regulations has been filed by the current promoter.

6.19 There are no contingent liabilities as on the date of this LOF.

6.20 The key financial information of the Target Company as extracted from its respective audited financial statements as of and for the financial years ended on March 31, 2023, March 31, 2022 and March 31, 2021. Further, the Profit & Loss Statement, is also extracted from the unaudited limited review financial statements for the three months period ended September 30, 2023, is as set out below:

(₹ in Lakhs)

| Profit & Loss Statement | For the quarter ended September 30, 2023 | For the yearended March 31, 2023 | For the yearended March 31, 2022 | For the yearended March 31, 2021 |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| | (Unaudited, Limited Review Report) | Audited | Audited | Audited |
| Revenue from Operations | 0.00 | 0.00 | 0.00 | 31.65 |
| Other Income | 0.00 | 0.23 | 0.06 | 0.03 |
| Total Income | 0.00 | 0.23 | 0.06 | 31.68 |
| Total Expenditure excluding Interest, Depreciation and Tax | 1.85 | 10.12 | 10.24 | 40.82 |
| Profit before Depreciation, Interest & Tax | (1.85) | (9.90) | (10.18) | (9.14) |
| Depreciation | 0.00 | 0.00 | 0.00 | 0.00 |
| Finance costs | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) before Tax | (1.85) | (9.90) | (10.18) | (9.14) |
| Provision for Tax (including Deferred tax & Tax for earlier years) | 0.00 | 0.00 | 0.00 | 0.00 |
| Profit / (Loss) after Tax | (1.85) | (9.90) | (10.18) | (9.14) |
| Dividend % | 0.00 | 0.00 | 0.00 | 0.00 |
| Earning Per Equity share | (0.03) | (0.16) | (0.17) | (0.15) |

(₹ in Lakhs)

| Balance Sheet Statement | For the year ended March 31, 2023 | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|--|--------------------------------------|--------------------------------------|--------------------------------------|
| | Audited | Audited | Audited |
| Sources of Funds | | | |
| Paid up share capital | 611.33 | 611.33 | 611.33 |
| Reserves & Surplus (Excluding revaluation reserves) | (22.40) | (12.50) | (2.32) |

| | | | |
|---|---------------|---------------|---------------|
| Net Worth | 588.93 | 598.83 | 609.01 |
| Secured Loans | 0.00 | 0.00 | 0.00 |
| Unsecured Loans | 4.00 | 17.00 | 39.00 |
| Current Liabilities | 149.78 | 150.22 | 150.27 |
| Total | 742.71 | 766.05 | 798.28 |
| Uses of Funds | | | |
| Net Fixed Asset | 0.48 | 0.49 | 0.50 |
| Other non-current assets | 450.36 | 471.10 | 605.15 |
| Current Assets | 289.09 | 291.68 | 189.85 |
| Total Miscellaneous Expenditure not written off | 2.78 | 2.78 | 2.78 |
| Total | 742.71 | 766.05 | 798.28 |

There are no contingent liabilities as on the date of this LOF.

Notes:

- 1) The key financial information for the quarter ended September 30, 2023 has been extracted from limited review report of the unaudited financial results for the quarter and half year period ended September 30, 2023 submitted to BSE under Regulation 33 of SEBI (LODR) Regulations.
- 2) The key financial information for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 have been extracted from Target Company's annual reports for financial years 2022-23, 2021-2022 and 2020- 2021, respectively.
- 3) Current Liabilities includes trade payable and other current liabilities
- 4) Non-Current Assets includes non-current investment and long-term loans and advances
- 5) Current Assets includes cash and cash equivalent, bank balances, short-term loans and advances.

6.21 Pre-Offer and post-Offer shareholding pattern of the Target Company as on September 30, 2023 (assuming full acceptances) is as provided below:

| Sr. No. | Shareholdercategory | Shareholding & voting rights prior to the agreement/acquisition and offer (A)* | | Shares/voting rights agreed to be acquired which triggered off the Takeover Regulations (B) | | Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (C)*** | | Shareholding/votingrights after the acquisition and Offer (A)+(B)+(C)=(D)*** | |
|---------|--------------------------------------|--|----|---|----|--|----|--|----|
| | | No. of Equity Shares | %^ | No. of Equity Shares | %^ | No. of Equity Shares | %^ | No. of Equity Shares | %^ |
| 1. | Promoter & Promoter Group | | | | | | | | |
| | Parties to the SPA | | | | | | | | |

| | | | | | | | | | |
|-----------|---|------------------|---------------|-------------------|----------------|--------------------|--------------|------------------|---------------|
| | Ruchir Mittal | 6,83,350 | 11.18 | (6,83,350) | (11.18) | - | - | - | - |
| | Total | 6,83,350 | 11.18 | (6,83,350) | (11.18) | - | - | - | - |
| 2. | Acquirers | | | | | | | | |
| a | Bharat Patel – Acquirer I** | - | - | 6,83,350 | 11.18 | 4,47,620 | 7.32 | 11,30,970** | 18.50 |
| b | Amit Patel - Acquirer II | - | 0.00 | - | 0.00 | 11,30,970 | 18.50 | 11,30,970 | 18.50 |
| c | Jayanti Gaudani - Acquirer III | 25,000 | 0.41 | - | 0.00 | 11,30,970 | 18.50 | 11,55,970 | 18.91 |
| d | Ajay Gaudani Acquirer IV | - | 0.00 | - | 0.00 | 11,30,970 | 18.50 | 11,30,970 | 18.50 |
| | Total | 25,000 | 0.41 | 6,83,350 | 11.18 | 38,40,530 | 62.82 | 45,48,880 | 74.41 |
| 3 | Public (other than parties to agreement and Acquirers) | | | | | | | | |
| a | FIs/MFs/FPIs/FIIs/Bank, SFIs, Insurance Companies /AIFs | - | - | - | - | - | - | - | - |
| b | Others | 54,05,000 | 88.41 | - | 0.00 | (38,40,530) | 62.82 | 15,64,470 | 25.59 |
| | Total | 54,05,000 | 88.41 | - | 0.00 | (38,40,530) | 62.82 | 15,64,470 | 25.59 |
| | Grand Total (1+2+3+4) | 61,13,350 | 100.00 | - | - | - | - | 61,13,350 | 100.00 |

^ All percentages are calculated on the Total Equity Paid up Shares Capital of the Target Company, as on 10th working day after closing of tendering period.

Notes:

*Shareholding Pattern is based on Quarter ended September 30, 2023.

** 25,000 shares of the Target Company are held in the name of Ms. Mamta Patel, deceased wife of Mr. Bharat Patel and are yet to be transmitted

***Assuming full acceptance

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Offer Price

7.1.1 The Equity Shares of the Target Company are listed on BSE only (Security ID: CFL and Security Code: 540310) and is under XT/T+1 Group & under GSM: stage 0 / ESM: Stage 1.

7.1.2 The trading turnover in the Equity Shares of the Target Company on BSE Ltd based on trading volume during twelve calendar months preceding the month in which PA is made is as given below:

| Name of the Stock Exchange | Period | Total number of equity shares traded | Total Number of Listed Equity Shares | Trading Turnover (as % of total Equity Shares) |
|----------------------------|---------------------------------------|--------------------------------------|--------------------------------------|--|
| BSE Ltd | September 01, 2022 to August 31, 2023 | 45,938 | 61,13,350 | 0.75% |

7.1.3 Based on above, the Equity Shares of the Target Company are infrequently traded within the meaning of Regulation 2(1)(j) of the SEBI (SAST) Regulations on BSE Limited.

7.1.4 The Offer Price of ₹ 6.60 /- (Rupees Six and Paise Sixty Only) per fully paid-up Equity Share is justified per provision of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations, taking into account the following parameters:

| Sr. No. | Particular | Amount |
|---------|--|--|
| A. | Negotiated Price per Equity Share under the Share Purchase Agreement attracting the obligation to make a Public Announcement of an open offer; | ₹ 3.56 |
| B. | The volume-weighted average price paid or payable for acquisitions by the Acquirers during the fifty-two weeks immediately preceding the date of the Public Announcement. | Not Applicable During the 52 weeks immediately preceding September 05, 2023, there are no such acquisition made by the Acquirers or by any person acting in concert with him |
| C. | The highest price paid or payable for any acquisition by the Acquirers during the twenty-six weeks immediately preceding the date of the Public Announcement. | Not Applicable During the 26 weeks immediately preceding September 05, 2023, there are no such acquisition made by the Acquirers or by any person acting in concert with him |
| D. | The volume-weighted average market price of Equity Shares for a period of sixty (60) trading days immediately preceding the date of the Public Announcement as traded on BSE, being Stock Exchange where the Equity Shares of the Target are listed. | Not Applicable |
| E. | Since the Equity 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. * | ₹ 6.60 |

**Mr. Suman Kumar Verma, Cost Accountant & IBBI Registered Valuer Registration number 'IBBI/RV/05/2019/12376' and having his office at Lane No. 10, Indra Park, Palam Colony, New Delhi - 110045, India, through his valuation report dated September 05, 2023, has certified that the fair value of the Equity Share of Target Company is ₹6.60/- (Rupees Six and Sixty Paise Only) per Equity Share.*

7.1.5 In view of the above parameters considered and presented in the table in Paragraph 3 above, the Offer Price of ₹ 6.60 being the highest of the amounts specified above. Therefore, in terms of Regulation 8(2) of SEBI (SAST) Regulations, the Offer Price ₹ 6.60/- per Equity Share is justified.

7.1.6 There has been no revision in the Offer Price since the date of the PA till the date of this LOF. The Offer Price may be subject to upward revision if any, pursuant to the SEBI (SAST) Regulations or at discretion of Acquirers at any time prior to one (1) working days before the date of commencement of the tendering period of this offer in accordance of Regulation 18(4) of the SEBI (SAST) Regulations. In such event of such revision, the Acquirers shall make corresponding increases to the Escrow amounts. In the event of such revision, the Acquirers would notify (i) make a public announcement in the same newspaper in which the DPS has been published; and (ii) simultaneously with the issue of such Public Announcement, inform BSE, SEBI and the Target Company at its registered office of such revision.

- 7.1.7 Since the date of the PA, there have been no corporate actions in the Target Company warranting adjustment of any of the relevant price parameters under Regulation 8 of the SEBI (SAST) Regulations. The Offer Price may be adjusted in the event of any corporate actions like bonus, rights issue, stock split, consolidation, dividend, demergers, and reduction etc. where the record date for effecting such corporate actions falls within 3 (Three) Working Days prior to the commencement of Tendering Period of the Offer and Public Shareholders shall be notified in case of any revision in Offer Price and/or Offer Size.
- 7.1.8 If the Acquirers acquires or agrees to acquire any Equity 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, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, Acquirers shall not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period.
- 7.1.9 If the Acquirers acquire Equity Shares of the Target Company during the period of twenty- six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all the Shareholders whose shares have been accepted in 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 an open offer as per 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 shares of the Target Company whether by way of bulk / block deals or in any other form.
- 7.1.10 In terms of the provisions of Regulation 18(11A) of SEBI (SAST) Regulations, if the Acquirers would not be able to make payment to shareholders on account of reasons other than delay in receipt of any statutory approval, the acquirers shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of 10% per annum, however, if the situation warrants, waiver may be granted by SEBI for payment of interest.

7.2 Financial Arrangements

- 7.2.1 The total consideration for the Open Offer (assuming full acceptances) i.e., for the acquisition of upto 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares at the Offer Price of ₹6.60 (Rupees Six and Paise Sixty Only) per Equity Share is upto ₹ 2,53,47,498 (Rupees Two Crore Fifty-Three Lakhs Forty-Seven Thousand Four Hundred Ninety-Eight Only) (**“Maximum Open Offer Consideration”**).
- 7.2.2 In terms of Regulation 25(1), the Acquirers have confirmed that they have adequate and firm financial arrangements to fulfilling the payment obligations under the Open Offer and that the Acquirers are able to the implement the Open Offer. M/s. D M D & Co, Chartered Accountants, (FRN: 153231) having its office 449-450, Vikas Shoppers, Bhagwan Nagar Char Rasta, Sarthana Jakat Naka, Varachha, Surat – 395006, Gujarat, India has certified that the Acquirers have sufficient financial resources and have made firm arrangements for the implementation of the Open Offer in full out of their own resources/ Net-worth and no borrowings from any Bank or any Financial Institution are envisaged.
- 7.2.3 The sources of funds for the Acquirers are internal accruals and capital infusion.
- 7.2.4 In accordance with Regulation 17, the Acquirers and the Manager to the Offer have entered into an Escrow Agreement with ICICI Bank Limited (**“Escrow Agent”**), a banking corporation incorporated under the laws of India, acting through its branch office at ICICI Bank Limited, 5th floor, 163, H.T. Parekh Marg, Backbay Reclamation, Churchgate, Mumbai 400020 Mumbai, dated September 08, 2023. The Acquirers have created an escrow account named “Bharat Patel CFL Escrow Account” (**“Escrow Account”**) and a special escrow account named “Bharat Patel CFL Special Account” (**“Special Escrow Account”**) for the purpose of Regulation 21 of SEBI (SAST) Regulations. Pursuant to the Escrow Agreement and in compliance with the Regulation 17(1) of the SEBI (SAST) Regulations, the Acquirers have collectively deposited ₹ 2,54,00,000 (Rupees Two Crore Fifty-Four Lakhs Only), being an amount approximately equivalent or more than 100% of the value of the total consideration payable under the Offer (assuming full acceptance) in cash on September 11, 2023 i.e. one day prior to the date of publication of DPS; since the Escrow Account was opened by the Escrow Agent on September 8, 2023 and September 9, 2023 and September

10, 2023 being non-working days. The Manager to the Offer is duly authorised by the Acquirers to operate and realize monies lying to the credit of the Escrow Account, in terms of the SEBI (SAST) Regulations.

- 7.2.5 The Manager to the Offer has been authorized by the Acquirers to operate and realize the monies lying to the credit of the Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 7.2.6 Based on the aforesaid financial arrangements made by the Acquirers and on the confirmations received from M/s. D M D & Co, Chartered Accountants, (FRN: 153231), the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 7.2.7 In case of any upward revision in the Offer Price or the size of the Open Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirers, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.

8. TERMS AND CONDITIONS OF THE OPEN OFFER

8.1 Operational Terms and Conditions

- 8.1.1 The Open Offer is being made by the Acquirers to all the Public Shareholders, to acquire up to 38,40,530 (Thirty-Eight Lakhs Forty Thousand Five Hundred Thirty Only) Equity Shares, representing 62.82% of the Voting Share Capital of the Target Company, subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and the Draft Letter of Offer, and this Letter of Offer.
- 8.1.2 The Identified Date for this Open Offer as per the indicative schedule of key activities is Friday, December 01, 2023. In terms of the indicative schedule of key activities, the Tendering Period for the Open Offer will commence on Friday, December 15, 2023 and close on Friday, December 29, 2023 (both days inclusive).
- 8.1.3 The Open Offer is not conditional and is not subject to any minimum level of acceptance.
- 8.1.4 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 has 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.
- 8.1.5 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title to the Offer Shares. The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that the Offer Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired, subject to such Offer Shares being validly tendered in this Offer, together with all legal and beneficial rights attached thereto and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
- 8.1.6 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. Further, if the Public Shareholders who are not persons resident in India require or had required any approvals in respect of the transfer of 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 pursuant to this Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such prior approvals are not submitted, the Acquirers reserve their right to reject such Equity Shares tendered in this 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.

- 8.1.7 None of the Equity Shares of the Target Company held by the Public Shareholders are currently locked-in.
- 8.1.8 In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 8.1.9 Public Shareholders to whom the Open Offer is being made are free to tender their shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance must be unconditional and should be absolute and unqualified. The acceptance to the Offer is entirely at the discretion of the Public Shareholders of the Target Company.
- 8.1.10 The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one).
- 8.1.11 By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirers or the Seller for the purpose of this Offer.
- 8.1.12 There has been no revision in the Offer Price or Offer Size as on the date of this Letter of Offer. The Acquirers reserve their right to revise the Offer Price and/or the number of Offer Shares upwards at any time prior to the commencement of 1 (one) Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations. In the event of such revision, in terms of Regulation 18(5) of the SEBI (SAST) Regulations, the Acquirers shall: (i) make a corresponding increase to the Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement and Corrigendum was published; and (iii) simultaneously notify Stock Exchanges, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, the Acquirers would pay such revised price for all the Equity Shares validly tendered at any time during the Open Offer and accepted under the Open Offer in accordance with the terms of the Letter of Offer
- 8.1.13 Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases, attachment orders or 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.
- 8.1.14 As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 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.
- 8.1.15 All the Equity Shares validly tendered under this Open Offer to the extent of the Offer Size will be acquired by the Acquirers in accordance with the terms and conditions set forth in this Letter of Offer and subject to the conditions specified in the Share Purchase Agreement.
- 8.1.16 The LOF shall be sent (through e-mail or physical mode) to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer (www.skylinerta.com), the Stock Exchanges (www.bseindia.com) or the Manager to the Offer (www.fedsec.in).
- 8.1.17 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 (subject to Paragraphs 8.1.5, 8.1.13 and 8.2) to participate in this Offer
- 8.1.18 Accidental omission to dispatch the LOF to any Public Shareholder entitled to this Open Offer or non-receipt of the LOF by any Public Shareholder entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein.

- 8.1.19 The Acquirers shall not be responsible in any manner for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips, etc.) and the Public Shareholders are advised to adequately safeguard their interests in this regard
- 8.1.20 Copies of PA, DPS, DLOF and Corrigendum are available on the website of SEBI at www.sebi.gov.in and copies of the LOF (including Form of Acceptance) are available on the website of SEBI at www.sebi.gov.in. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

8.2 Statutory and Other Approvals

- 8.2.1 As on the date of this LOF, to the best of the knowledge of the Acquirers, there are no statutory approvals required to implement the Open Offer that are validly tendered pursuant to the Open Offer and/or to complete the acquisition of Equity Shares by way of Share Purchase Agreement dated September 05, 2023. However, in case any further statutory or other approval becomes applicable prior to the completion of the Open Offer, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
- 8.2.2 In case of delay or non-receipt of any statutory approval which may be required by the Acquirers at a later date, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied, that the non-receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirers to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- 8.2.3 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 8.2.4 NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals/exemptions required, if any, to tender the Equity Shares held by them in this Offer, and submit copies of such approvals/exemptions along with the documents required to accept this Offer. If the aforementioned documents are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer. If the Public Shareholders who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) had required any approvals (including from the RBI or any other regulatory authority/ body) at the time of the original investment in respect of the Equity Shares held by them currently, they will be required to submit copies of such previous approvals that they would have obtained for acquiring/holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If the aforementioned documents are not submitted, the Acquirers reserves the right to reject such Equity Shares tendered in this Offer.
- 8.2.5 In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirers shall have the right to withdraw the Open Offer in the event that any of the statutory approvals specified in this LOF as set out in Part VII C (Statutory and Other Approvals) below or those which become applicable prior to completion of the Open Offer are finally refused. In the event of such a withdrawal of the Open Offer, the Acquirers (through the Manager) shall, within 2 (Two) working days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and will also be filed with SEBI, BSE Limited and the registered office of the Target Company.
- 8.2.6 The Acquirers in terms of Regulation 23 of SEBI (SAST) Regulations, will have a right not to proceed with this Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared.
- 8.2.7 The Acquirers does not require any approvals from Financial Institutions or Banks for this Offer.
- 8.2.8 The Acquirers shall complete all procedures relating to payment of consideration under this Open Offer within 10 Working Days from the date of closure of the

Tendering Period of the Open Offer to those Public Shareholders whose Equity Shares are accepted in the Open Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OPEN OFFER

- 9.1 The Offer will be implemented by the Acquirers through the stock exchange mechanism made available by the Stock Exchanges in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 and SEBI circular SEBI/HO/CFD/DCR- III/CIR/P/2021/615 dated August 13, 2021, as amended from time to time, and notices / guidelines issued by Stock Exchanges and the Clearing Corporation in relation to the mechanism / process for the acquisition of shares through the stock exchange pursuant to the tender offers under takeovers, buy back and delisting, as amended and updated from time to time (“**Acquisition Window Circulars**”). The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on BSE in the form of the Acquisition Window.
- 9.2 BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer (“**Designated Stock Exchange**”).
- 9.3 The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.
- 9.4 The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Corrigendum, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on the website of SEBI at www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Public Shareholders including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from the website of SEBI or obtain a copy of the same from the Registrar to the Open Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company for applying in the Offer. The Letter of Offer and the Form of Acceptance-cum-Acknowledgment shall also be available on the website of the Manager to the Open Offer at www.fedsec.in and Registrar to the Open Offer at www.skylinerta.com
- 9.5 All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchanges during the Tendering Period. The Buying Broker or its affiliate may also act as Selling Broker for Public Shareholders
- 9.6 The Acquirers have appointed Choice Equity Broking Private Limited (“**Buying Broker**”) for the Offer through whom the purchase and settlement of the Equity Shares tendered in the Offer shall be made. The contact details of the Buying Broker are as mentioned below:

| | |
|------------------------------------|--|
| Name of the Contact Person | Jeetender Joshi |
| Address | Choice House, Sunil Patodia Tower, Andheri (East), Mumbai - 400 099 |
| CIN | U65999MH2010PTC198714 |
| Tel No | 022 6707 9832 |
| Fax No | 022 6707 9999 |
| Email id | jeetender.joshi@choiceindia.com |
| Investor Grievance Email id | ig@choiceindia.com |
| Website | www.ig@choiceindia.com |
| SEBI Registration No. | INZ000160131 |

- 9.7 Public Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers in order to mark the lien, before the closure of the Tendering Period. 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 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.
- 9.8 Modification/cancellation of orders will not be allowed during the Tendering Period.
- 9.9 The Acquisition Window will be provided by BSE to facilitate placing of sell orders. The Selling Broker can enter orders for Equity Shares in dematerialized form or physical form.
- 9.10 Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Selling Broker(s) are not registered with BSE if the Shareholder does not have any stock broker then that Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code ("UCC") facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach Buying Broker, to bid by using quick UCC facility. The Shareholder approaching BSE registered stock broker (with whom he does not have an account) may have to submit following details:
- 9.10.1 In case of Shareholder being an individual
- (a) If Shareholder is registered with KYC Registration Agency ("KRA"): Forms required:
- i. Central Know Your Client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV) if applicable
 - ii. Know Your Client (KYC) form Documents required (all documents self-attested): Bank details (cancelled cheque)
 - iii. Demat details (Demat Master /Latest Demat statement)
- (b) If Shareholder is not registered with KRA: Forms required:
- i. CKYC form including FATCA, IPV, OSV if applicable
 - ii. KRA form
 - iii. KYC form Documents required (all documents self-attested):
PAN card copy
Address proof
Bank details (cancelled cheque)
 - iv. Demat details (Demat master /Latest Demat statement)
- It may be noted that other than submission of above forms and documents in person verification may be required.
- 9.10.2 In case of Shareholder is HUF:

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

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

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

9.10.3 In case of Shareholder other than Individual and HUF:

- (a) If Shareholder is KRA registered: Form required
- i. Know Your Client (KYC) form Documents required (all documents certified true copy) Bank details (cancelled cheque)
 - ii. Demat details (Demat master /Latest Demat statement)
 - iii. FATCA, IPV, OSV if applicable
 - iv. Latest list of directors/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 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 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.

9.11 Procedure for tendering Equity Shares held in Dematerialised Form:

- 9.11.1 Public Shareholders who are holding Equity Shares in dematerialized form and who desire to tender their Equity Shares in dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- 9.11.2 The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of BSE. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism as prescribed by BSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.
- 9.11.3 Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 9.11.4 For custodian participant, orders for Equity Shares in dematerialized form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

- 9.11.5 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.
- 9.11.6 The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.
- 9.11.7 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.
- 9.11.8 The duly filled in Delivery Instruction Slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/ Selling Broker so as to ensure that the Equity Shares are tendered in the Offer.
- 9.11.9 For resident Public Shareholders holding Equity Shares in dematerialized form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After the receipt of the Equity Shares in dematerialized form by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in dematerialized form.
- 9.11.10 Public Shareholders should not place orders through the Target Company, the Acquirers, the Manager to the Offer or the Registrar to the Offer**
- 9.11.11 The Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgement, unless required by their respective Selling Broker.**
- 9.11.12 All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public 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 Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “Classic Filaments Limited - Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.
- 9.12 Procedure for tendering Equity Shares held in Physical form**
- 9.12.1 As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI’s press release dated 3 December 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository with effect from 1 April 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated 31 July 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
- 9.12.2 The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:
- (a) Form of Acceptance cum Acknowledgment duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target Company;
 - (b) Original share certificate(s);

- (c) Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place;
 - (d) Self-attested PAN Card copy (in case of Joint holders, PAN card copies of all transferors);
 - (e) Any other relevant document such as power of attorney, corporate authorization (including board resolution/ specimen signature); and
 - (f) In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; (iii) passport; (iv) registered lease or sale agreement of residence; (v) driving license; (vi) flat maintenance bill; (vii) utility bills like telephone bill (only landline), electricity bill or gas bill (not more than three months old); (viii) identity card / document with address, issued by any of the following: Central/State Government and its Departments, statutory / regulatory authorities, Public Sector Undertakings, scheduled commercial banks, public financial institutions; (ix) For FII / sub account, Power of Attorney given by FII / subaccount to the Custodians (which are duly notarized and / or apostilled or consularised) that gives the registered address; (x) proof of address in the name of the spouse; or (x) client master list of the demat account of the holder / claimant, provided by the depository participant
- 9.12.3 Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the acquisition window of BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip ("TRS") generated by the BSE bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 9.12.4 The Selling Broker(s)/ Public Shareholders has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post / speed post or courier or hand delivery to the Registrar to the Offer i.e., First Floor, D 153 A Okhla Industrial Area Phase -1 New Delhi – 110 020 within 2 days of bidding by the Selling Broker and not later than 2 (two) days from the Closure of the Tendering period i.e., January 01, 2024 (by 5 PM (IST)). The envelope should be superscribed as "Classic Filaments Limited - Open Offer". One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- 9.12.5 Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirers shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as 'unconfirmed physical bids'. Once, the Registrar to the Offer confirms the orders it will be treated as 'confirmed bids'. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days after the Offer Closing Date shall be liable to get rejected.
- 9.12.6 In case any person has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Offer before Offer Closing Date.
- 9.12.7 All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company / registrar of the Target Company

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

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

9.13.1 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.

9.13.2 A Shareholder may participate in the Offer by approaching their Selling Broker and tender Shares in the Offer as per the procedure mentioned in the Letter of Offer or in the relevant Form of Acceptance-cum Acknowledgment.

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

9.13.4 In case of non-receipt of the Letter of Offer, such eligible Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. The Letter of Offer along with the Form of Acceptance cum Acknowledgment (FOA) would also be available at SEBI's website, www.sebi.gov.in, and Public Shareholders can also apply by obtaining a physical 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, you can download the soft copy from the registrar's website www.skyinerta.com.

9.13.5 Alternatively, in case of non-receipt of the LOF, Public Shareholders holding the Equity Shares may participate in the Open Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares being tendered and other relevant documents as mentioned in the LOF. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the Offer Closing Date.

9.14 Acceptance of Equity Shares

9.14.1 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

9.14.2 In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot.

9.14.3 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. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.

9.14.4 The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (One).

9.14.5 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

9.15 Settlement Process

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

9.15.2 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market

9.15.3 While it would be ensured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt of this Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

9.15.4 For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Equity Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction are 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.

9.15.5 In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.

9.15.6 The 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 non-acceptance of the shares under the Offer.

9.15.7 Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Equity Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Equity Shareholders directly by the Registrar. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Target Company are less than the Equity Shares tendered in the Open Offer by the Equity Shareholders holding Equity Shares in the physical form.

9.15.8 Company's Broker would also issue a contract note to the Target Company for the Equity Shares accepted under the Open Offer. If Equity Shareholders bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Equity Shareholders will be transferred to the Selling Broker for onward transfer to the Equity Shareholder.

9.15.9 Equity Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Equity Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Equity Shareholders.

9.15.10 Once the basis of acceptance is finalized, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirers.

9.15.11 Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the

Offer.

- 9.15.12 Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer
- 9.15.13 The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- 9.15.14 For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Equity Shareholders. If shareholders' 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.
- 9.15.15 The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.
- 9.15.16 The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.
- 9.15.17 Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.
- 9.15.18 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

10. NOTES ON TAXATION

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

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

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

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

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

IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

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

THE SUMMARY ON TAX CONSIDERATIONS IN THIS SECTION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES. THE LAW STATED BELOW IS AS PER THE IT ACT.

10.1 General:

a) **STT**

- i. As the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to STT. STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.

b) **Income Tax**

- i. The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- ii. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- iii. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- iv. Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non- applicability of GAAR and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- v. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based

on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.

- vi. The shareholders may be required to undertake compliances such as filing an annual income tax return, as may be applicable to different categories of persons, with the income tax authorities, reporting their income for the relevant year.
- vii. The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out in the succeeding paras. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

10.2 Classification of Shareholders:

Public Shareholders can be classified under the following categories:

- a) Resident Shareholders being:
 - i. Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”) and Body of Individuals (“**BOI**”)
 - ii. Others
 - Company
 - Other Than Company
- b) Non-Resident Shareholders being:
 - i. Non-Resident Indians (NRIs)
 - ii. Foreign Institution Investors (FIIs) / Foreign Portfolio Investors (FPIs)
 - iii. Others:
 - Company
 - Other Than Company

10.3 Classification of Income:

Shares can be classified under the following two categories:

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

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

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

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

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

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

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

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

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

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

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

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

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

- c) LTCG, as computed u/s. 112A, will not be liable to tax to the extent not exceeding Rs. 1,00,000 (Rupees One lakh only).
- d) Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the Equity Shares):
 - i. LTCG will be chargeable to tax at the rate of 20% (plus applicable surcharge and health and education cess) or 10% (plus applicable surcharge and health and education cess) without allowing benefit of indexation, in the case of a non-resident Public Shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.

- ii. In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).
 - iii. For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost shall not be available.
 - iv. For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and health and education cess) without indexation. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG.
 - v. Long term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.
- e) As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 15% under section 111A of the IT Act. Further, no deduction under Chapter VI- A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
 - f) In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income- tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.
 - g) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
 - h) As per Section 70 of the IT Act, short term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
 - i) Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the IT Act.
 - j) As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

10.7 Investment Funds

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

10.8 Mutual Funds

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

this behalf.

10.9 Shares held as Stock-in-Trade:

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

b) Resident Shareholders

Profits of:

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

c) Non-Resident Shareholders: Non-resident shareholders can avail beneficial provisions of the applicable DTAA, read with the MLI, entered into between India and the respective country of which the said shareholder is tax resident, subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

d) Where DTAA provisions are not applicable:

- i. No benefit of indexation by virtue of period of holding will be available in any case.
- ii. For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
- iii. For foreign companies, profits would be taxed in India @ 40%.
- iv. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

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

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

10.10 Tax Deduction at Source

- a) Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.
- b) Non-Resident Shareholders:
- i. In case of FIIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs, subject to fulfilment of the following conditions:
 - FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
 - FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
 - If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act (“TDC”), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. The Acquirer shall deduct tax in accordance with such TDC.
 - ii. In case of non-resident tax payer (other than FIIs):
 Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA and MLI, if applicable. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.
- 10.11 However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non- resident shareholders as there is no ability for the Acquirers to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
- 10.12 Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirers believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate. The non- resident shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.
- 10.13 In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer is entitled to be indemnified. The non-resident shareholders also undertake to provide the Acquirers, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.
- 10.14 Remittance/Payment of Interest:
- a) In case of interest, if any, paid by the Acquirer to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax

or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, the Acquirer decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance or such additional documents as may be called for by the Acquirer. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.

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

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

Surcharge:

- i. In case of domestic companies:

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

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

- ii. In case of companies other than domestic companies:

Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crore.

Surcharge @ 2% where the total income exceeds Rs. 1 crore but less than Rs. 10 crore

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

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

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

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

Surcharge at the rate of 37% is leviable where the total income exceeds Rs. 5 crore.

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

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

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

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER

BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Public Shareholders at the Registered Office of the Manager to the Offer at Fedex Securities Private Limited, B7,3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400057, Maharashtra, India, between 10:30 AM and 5:00 PM on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period until the date of closure of the Tendering Period.

Further, in light of SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated July 27, 2020 read with SEBI Circular SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020, copies of the following documents will be available for inspection to the Public Shareholders electronically during the Tendering Period. The Public Shareholders interested to inspect any of the following documents can send an email from their registered email ids (including shareholding details and authority letter in the event the Public Shareholder is a corporate body) with a subject line [“Documents for Inspection – CFL Open Offer”], to the Manager to the Open Offer at mb@fedsec.in; and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents

- i. Copies of the Certificate of Incorporation and Memorandum and Articles of Association of the Target Company;
- ii. Copies of the annual reports of the Target Company for the financial years ended March 31, 2021, March 31, 2022 and March 31, 2023, and the unaudited Limited Review Financial Results for the quarter and half year ended September 30, 2023, reviewed by the independent statutory auditor of the Target Company;
- iii. Certificates dated December 05, 2023 issued by M/s. D M D & Co, Chartered Accountants (FRN: 153231W) certifying the adequacy of financial resources of the Acquirers to fulfill the Offer obligations;
- iv. Certificate dated September 5, 2023 issued by Mr. Suman Kumar Verma, Cost Accountant & IBBI Registered Valuer bearing registration number ‘IBBI/RV/05/2019/12376’, certifying the Offer Price computation;
- v. Certificate dated September 18, 2023 issued by M/s. NNK & Co, Chartered Accountants (Firm registration number 143291W), certifying the Offer Price computation;
- vi. Certificates dated December 05, 2023 issued by M/s. D M D & Co, Chartered Accountants (FRN: 153231W) certifying the Net worth of Acquirers.
- vii. Copy of the Escrow Agreement dated September 08, 2023 between the Acquirers & ICICI Bank Limited (Escrow Bank) and the Manager to the Open Offer;
- viii. Copy of the SPA dated September 05, 2023;
- ix. Bank Statement received from ICICI Bank Limited for required amount kept in the escrow account and marked lien in favor of Manager to Offer;
- x. Copy of the PA dated September 05, 2023 and submitted to the Stock Exchange(s), SEBI and Target Company;
- xi. Copy of the DPS dated September 11, 2023 published by the Manager to the Offer on behalf of the Acquirers on September 12, 2023;
- xii. Copy of the DLOF dated September 20, 2023 and submitted to the Stock Exchange(s), SEBI and Target Company;

- xiii. Copy of the Corrigendum dated September 25, 2023 published by the Manager to the Offer on behalf of the Acquirers on September 26, 2023;
- xiv. Copy of the letter received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Escrow Account on September 11, 2023
- xv. Copy of the recommendation to be published on December 13, 2023 made by the Committee of Independent Directors (IDC) of the Target Company; and
- xvi. Copy of the letter number SEBI/HO/CFD/CFD-RAC-DCR1/P/OW/2023/47600/1 from SEBI dated November 29, 2023 containing its observations on the Draft Letter of Offer.

12. DECLARATION BY THE ACQUIRERS

- 12.1 For the purpose of disclosures in this LOF relating to the Target Company, the Acquirers have relied on the information provided by the Target Company and the Seller or as available in the public domain and have not independently verified the accuracy of details of the Target Company or the Seller. Subject to the aforesaid, the Acquirers severally and jointly, accept full responsibility for the information contained the Public Announcement, Detailed Public Statement, DLOF, Corrigendum, and in this LOF in relation to them and the Offer (other than such information as has been obtained from public sources or provided or confirmed by the Target Company and the Seller).
- 12.2 The Acquirers, severally and jointly accept full responsibility for the information contained in this LOF in relation to them and the Offer and also for the obligations for the Acquirers as laid down in the SEBI (SAST) Regulations. The Acquirers shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 12.3 The information pertaining to the Target Company and/or the Seller contained in the Public Announcement or the Detailed Public Statement or the Draft Letter of Offer or the Corrigendum or this Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Seller, as the case may be, or publicly available sources which has not been independently verified by the Acquirers or the Manager. The Acquirers and the Manager do not accept any responsibility with respect to such information relating to the Target Company and/or the Seller.

For and on behalf of Acquirers:

| | | | |
|---------------------------------|----------------------------|---------------------------------|------------------------------|
| Signed by the Acquirers: | | | |
| Sd/- Bharat Patel | Sd/- Amit Patel | Sd/- Jayanti Gaudani | Sd/- Ajay Gaudani |

Date: December 06, 2023

Place: Surat

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT (FOA)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Public Shareholders holding shares in dematerialised form are not required to fill the Form of Acceptance unless required by their respective Selling Broker. The Public Shareholders holding physical shares (resident and non-resident) are mandatorily required to fill the Form of Acceptance and are required to submit it along with TRS and other enclosures directly or through their respective broker/Selling Broker to the Registrar to the Offer, at its registered office address provided in the LOF]

CLASSIC FILAMENTS LIMITED

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the letter of offer dated Wednesday, December 06, 2023 (“LOF”))

| | |
|-----------------|--|
| From | |
| Name: | |
| Address: | |
| Tel. No | |
| Fax | |
| Email: | |

| Tendering Period for this Open offer | |
|---|---------------------------|
| Offer opens on | Friday, December 15, 2023 |
| Offer closes on | Friday, December 29, 2023 |

To,

**The Acquirers MR. BHARAT PATEL ('Acquirer I') and
Mr. MR. AMIT PATEL ('Acquirer II') and
MR. JAYANTI GAUDANI ('Acquirer III') and
MR. AJAY GAUDANI ('Acquirer IV') and
C/O Skyline Financial Services Pvt. Ltd**

Unit: Classic Filaments Limited

Plot No.1, Priyanka House, Umiyadham Road, Varachha, Surat, Gujarat, 395006.

Tel No.: 0261-2540570

Email id: classicfilaments@vmail.com

Website: www.classicfilamentsltd.com

Investor Grievance id: grievances@skylinerta.com

Contact Person: Anuj Rana

SEBI Registration No.: INR000003241

Dear Sir(s),

Re: OPEN OFFER FOR ACQUISITION OF UP TO 38,40,530 (THIRTY-EIGHT LAKHS FORTY THOUSAND FIVE HUNDRED THIRTY ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARE”), REPRESENTING UP TO 62.82% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW) OF CLASSIC FILAMENTS LIMITED (THE “TARGET COMPANY”) AT AN OFFER PRICE OF ₹ 6.60/- (RUPEES SIX AND PAISE SIXTY ONLY) PER EQUITY SHARE OF THE TARGET COMPANY, PURSUANT TO AND IN COMPLIANCE WITH THE REQUIREMENTS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENTS THERETO (“SEBI (SAST) REGULATIONS”) FROM THE PUBLIC SHAREHOLDERS (AS DEFINED BELOW)

I/We refer to the Letter of Offer dated Wednesday, December 06, 2023 for acquiring the Equity shares held by me/us Equity Shares in Classic Filaments Limited.

1. I / We, the undersigned, have read the PA, the DPS, Draft Letter of Offer, Corrigendum to the DLOF, LOF, and the Offer opening public announcement, and understood their contents, including the terms and conditions mentioned therein, and unconditionally accept the same.
2. I/We understand that the Equity Shares tendered under the Open Offer shall be held in trust by the Registrar to the Offer and Clearing Corporation, as applicable until the time of dispatch of payment of consideration and/or the unaccepted Equity Shares are returned.

3. I/We hereby undertake the responsibility for the FOA and the Equity Shares tendered under the Open Offer and I/we hereby confirm that the Acquirers, Company, Manager to the Open Offer and the Registrar to the Offer shall not be liable for any delay/loss in transit resulting in delayed receipt or non- receipt of the FOA along with all requisite documents, by the Seller Member, due to inaccurate/incomplete particulars/ instructions or any reason whatsoever.
4. I/We understand that this FOA is in accordance with the SEBI SAST Regulations, 2011 and any amendments thereto and all other applicable laws.
5. I/We also understand that the payment of consideration will be done after due verification of FOA, documents and signatures and the Acquirers will pay the consideration as per secondary market mechanism.
6. I/We hereby confirm that the Equity Shares tendered under the Open Offer are free from any lien, equitable interest, charges & encumbrances.
7. I/We hereby declare that there are no restraints/injunctions, or other orders of any nature which limits/restricts my/our rights to tender these Equity Shares and I/we are the absolute and only owner of these Equity Shares and legally entitled to tender the Equity Shares under the Open Offer.
8. I/We hereby confirm that to participate in the Open offer, I/we will be solely responsible for payment to my/ our Seller Member for any cost, charges and incidental expenses (including brokerage) that may be levied by the Seller Member on me/ us for tendering Equity Shares in the Open Offer (secondary market transaction). The consideration to be received by me/us from my/ our respective Seller Member, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers, Company, Buyer Broker, Registrar to the Offer or Manager to the Offer have no responsibility to bear or pay such additional cost, charges and incidental expenses (including brokerage) incurred solely by me/us.
9. I/We undertake to immediately return the amount received by me/us inadvertently.
10. I/We authorize the Stock Exchange, Acquirers, Manager to the Offer and Registrar to the Offer to send payment of consideration through secondary market settlement process or by NECS/RTGS/NEFT/Direct Credit as per SEBI Circulars.
11. I/We agree that upon acceptance of the Equity Shares by the Acquirers tendered by me/us under the Open Offer, I/we would cease to enjoy all right, title, claim and interest whatsoever, in respect of such Equity Shares of the Company.
12. I/We authorize the Acquirers to accept the Equity Shares so offered, which it may decide to accept in consultation with the Manager to the Offer and Registrar to the Offer in terms of the Letter of Offer.
13. I/We further authorize the Registrar to the Offer to return to me/us Equity Shares to the extent not accepted and be released to my/our depository account at my/our sole risk.
14. I/We hereby undertake to execute any further documents, give assurance and provide assistance, which may be required in connection of the Open Offer and agree to abide by the decisions taken in accordance with the applicable laws, rules and regulations.
15. I/We acknowledge and confirm that all the particulars/statements given are true and correct

| BOX 1A: Public Shareholder's details (In BLOCK capital letters) | | | |
|--|--|-----------|--|
| Complete this box with the full name and address of the holder of the Offer Shares. In case of joint holding, details of the first-named holder should be provided along with the names of other joint holders | | | |
| Name of the sole/First Holder | | | |
| PAN | | e-mail id | |
| Address (with PIN code) | | | |
| | | | |
| | | | |
| Contact number(s) of the first holder | | | |
| Date and place of incorporation (if applicable) | | | |
| Bank Details of the sole / first holder - <i>enclose copy of cancelled cheque</i> | | | |
| Bank and Branch | | | |
| A/c Number | | | |

| | | | |
|------------------------------------|--|---------------------------------|--|
| A/c Type (SB / CA) | | IFSC Code | |
| Mobile Number | | Landline Number (with STD code) | |
| Name of the 2 nd Holder | | PAN: | |
| Name of the 3 rd Holder | | PAN: | |

Note: Please write the names of joint holders in the same order as appearing in the share certificate(s)/demat account.

| BOX 1B: Type of Investor | | | |
|--|--|---|--|
| Please tick (√) the box to the right of the appropriate category | | | |
| Resident * | | Non-Resident * | |
| Individual | | Individuals - Repatriable | |
| HUF | | Individuals - Non-Repatriable | |
| Trust | | Individuals other than Non-Resident Indian | |
| Domestic Company | | Foreign Institutional Investors - Corporate | |
| Indian Mutual Fund | | Foreign Institutional Investors - Others | |
| Bank, Insurance Companies & Financial Institutions | | Foreign Company | |
| Indian Venture Capital Fund | | Overseas Corporate Bodies (OCB) | |
| Others (Please specify) | | Others (Please specify) | |

** Residential status as determined on the basis of criteria laid in Section 6 of the Income Tax Act, 1961, as amended ("IT Act")*

| BOX 2: Signature of Public Shareholders | | |
|---|-------------------|--------------|
| In case of joint holdings, all holders must sign below in the same order and as per specimen signatures registered with the Company. In case of body corporate, a stamp of the company should be affixed and necessary board resolution authorizing the submission of this FOA should be attached. By your signature in Box 2, you will also be deemed to be making the acknowledgement and authorizations set out in Box 3 below | | |
| I/We hereby make an offer to tender the number of Offer Shares set out or deemed to be set out in Box 3 in accordance with, and on and subject to the terms and conditions herein, the LOF and the PA | | |
| Sr. No. | Name(s) | Signature(s) |
| 1 | Sole/First Holder | |
| 2 | Second Holder | |
| 3 | Third Holder | |

| BOX 3: Details of Offer Shares tendered pursuant to the Open Offer | | |
|---|-------------------|-----------------|
| I/we hereby tender to the Acquirers, the number of Offer Shares as specified below | | |
| | In Figures | In Words |
| Number of Offer Shares | | |

| |
|--|
| |
|--|

| BOX 4A: For Public Shareholders holding Offer Shares in physical form | | | | | | |
|---|--------------------------|-------------------|-------|---------------------|----|------------------------|
| Sr. No. | Share certificate Number | Registered number | folio | Distinctive Numbers | | Number of Offer Shares |
| | | | | From | To | |
| 1 | | | | | | |
| 2 | | | | | | |
| 3 | | | | | | |
| 4 | | | | | | |
| Total Number of Offer Shares <i>(If the space provided is inadequate, please attach a separate continuation sheet)</i> | | | | | | |

| BOX 4B: For Public Shareholders holding Offer Shares in dematerialized form | |
|--|--|
| Please complete the space provided below with the details of the depository account in which your Offer Shares are presently held, as well as with details of your depository participant. | |
| <i>I/we confirm that I/we hold my/our Offer Shares in dematerialized form. The details of my/our depository account and my/our depository participant are as follows:</i> | |
| Name of Depository (CDSL / NSDL) | |
| Name of Depository Participant | |
| DP ID No. | |
| Client ID No. with the DP | |
| Number of Offer Shares | |

CHECKLIST

(Please Tick (✓) the box to the right of the appropriate category)

| Physical Shareholders | | | Dematerialized Shareholders | | |
|------------------------------|---|--|------------------------------------|--|--|
| 1 | Form of Acceptance (FOA) | | 1 | Form of Acceptance (FOA) | |
| 2 | Original share certificate(s) of Classic Filaments Limited | | 2 | TRS issued by Broker / Seller Member after bidding of shares on the OTB platform | |
| 3 | Valid share transfer deed(s) | | 3 | Other relevant documents as applicable | |
| 4 | Self-attested copy of PAN card (including the joint holders) | | | | |
| 5 | TRS issued by Broker / Seller Member after bidding of shares on the OTB platform | | | | |
| 6 | Other relevant documents as applicable | | | | |
| 7 | Duly attested death certificate and succession certificate / probate / letter of administration (in case of single Shareholder), in case the original Shareholder has expired | | | | |

FOR ALL PUBLIC SHAREHOLDERS (DEMAT SHARES AND PHYSICAL SHARES)

- I / We confirm that the Offer Shares which are being tendered herewith by me / us under this Open Offer are not locked in and are free from any pledges, liens, charges, equitable interests, non-disposal undertakings or any other form of encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
- I / We confirm that the sale and transfer of the Equity shares held by me/us will not contravene any applicable law and will not breach the terms of any agreement (written or otherwise) that I/we are a party to.
- My / Our execution of this Form of Acceptance shall constitute my / our warranty that the Equity Shares comprised in this application are owned by me / us and are sold and transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said Equity Shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these Equity Shares.

4. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
5. I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
6. I / We agree that the Acquirers will pay the consideration as per secondary market mechanism only after verification of the certificates, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirers any Open Offer consideration that may be wrongfully received by me / us.
7. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
8. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirers.
9. I / We give my/our consent to the Acquirers to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
10. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, DLOF, Corrigendum to the DLOF and the LOF.
11. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirers to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.
12. I / We are / am not debarred from dealing in shares or securities, including the Equity Shares.
13. I / We confirm that there I / We have neither received any notice, nor have they been subject to any investigation or inspection from any tax authority and there are no pending audits, examinations or assessments for or relating to any liability in respect of Tax. I / We are not involved in a dispute, litigation or claim in relation to Tax paid or payable in India. There are no pending tax proceedings and / or outstanding tax demands (disputed or otherwise) against me/us under the IT Act that can adversely affect the transfer of the Company Shares under the IT Act including but not limited to Section 281 of the Income Tax Act, 1961
14. I / We note and understand that the Offer Shares/ original share certificate(s) and the transfer deed(s) will be held by the Registrar to the Offer/ Clearing Corporation in trust for me / us till the date the Acquirers makes payment of consideration as mentioned in the LOF, or the date by which original share certificate(s), transfer deed(s) and other documents are dispatched to the Public Shareholders, as the case may be. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their Equity Shares in this Offer, in accordance with the terms of the LOF.
15. I / We confirm that in the event of any income tax demand (including surcharge, cess interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any surcharge, cess and consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirers for such income tax demand (including surcharge, cess, interest, penalty, etc.) and provide the Acquirers with all information / documents that may be necessary and cooperate in any proceedings before any income tax / appellate authority/ courts.
16. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirers makes payment of purchase consideration as mentioned in the LOF.
17. I / We authorise the Acquirers to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirers may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirers to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted, by registered post or ordinary post, unaccepted documents, if any, at my/our sole risk, without specifying the reasons thereof. In case of Public Shareholders holding Equity Shares in physical form, I/we further agree to receive a single share certificate for the unaccepted Equity Shares in physical form.

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

| | | | | |
|--|--|---|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Foreign Company | <input type="checkbox"/> FII/FPI Corporate | <input type="checkbox"/> FII/FPI - Others | <input type="checkbox"/> FVCI |
| <input type="checkbox"/> Foreign Trust | <input type="checkbox"/> Private Equity Fund / AIF | <input type="checkbox"/> Pension/Provident Fund | <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Partnership/ Proprietorship Firm |

| | | | | |
|--|--|---|--------------------------------|--|
| <input type="checkbox"/> Financial Institution | <input type="checkbox"/> NRIs/PIOs repatriable | <input type="checkbox"/> NRIs/ PIOs - non Repatriable | <input type="checkbox"/> OCB | <input type="checkbox"/> FI |
| <input type="checkbox"/> Domestic Company | <input type="checkbox"/> Domestic Trust | <input type="checkbox"/> Insurance Company | <input type="checkbox"/> Banks | <input type="checkbox"/> Others - please Specify |

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

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

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

I/We, confirm that the Offer Shares tendered by me/ us are held on (“√” whichever is applicable)

- Repatriable basis
- Non - repatriable basis

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

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

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

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

Additional confirmations and enclosures for all Public Shareholders, as applicable

I / We, have enclosed the following documents (“√” whichever is applicable):

- Self-attested copy of PAN card.
- Self-declaration form in Form 15 G / Form 15 H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any).
- No objection certificate / Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate / NIL rate on income from sale of shares and interest income, if any, wherever applicable.
- For Mutual Funds/ Banks/ notified institutions/ other shareholders, self -attested copy of relevant registration or notification in support of the claim that they are eligible to exemption from withholding tax (applicable in case of interest payment, if any).
- ‘Valid Tax Residency Certificate’ issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in ‘Form 10F’ as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterization of income arising from the Open Offer.
- SEBI Registration Certificate for FIIs / FPIs (mandatory to be submitted by FIIs/FPIs).
- SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs).
- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum-Acknowledgement
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories
- Other relevant documents (Please specify) _____

BANK DETAILS

Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

So as to avoid fraudulent encashment in transit, the Public Shareholder(s) holding physical shares should provide details of bank account of the first/sole shareholder.

| | |
|-------------------------|--|
| Name of the Bank | |
|-------------------------|--|

| | |
|---|--|
| Branch Address and Pin code | |
| Account Number | |
| IFSC Code | |
| MICR Code | |
| Type of Account - Saving/Current/Others (please specify) | |

In case of interest payments, if any, by the Acquirers for delay in payment of Offer consideration or a part thereof, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirers depending on the settlement mechanism for such interest payments.

Yours faithfully, signed and delivered,

| | | | |
|---------------------|------------------|------------|------------------|
| | Full name | PAN | Signature |
| Sole/ First Holder | | | |
| Second Holder | | | |
| Third Public Holder | | | |

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

Place:

Date:

----- Tear Here -----

| ACKNOWLEDGEMENT SLIP – Classic Filaments Limited | | | |
|--|--|---|--|
| Application Number (to be filled by Seller Member) | | | |
| Received from Mr./Mrs./M/s. _____ | | | |
| Address: _____ | | | |
| For shares in physical form | | For shares in dematerialised form | |
| Folio No. | | DP ID No. | |
| Share certificate No. | | Client ID No. | |
| No. of Offer Shares | | No. of Offer Shares | |
| KYC documents attached (please provide details) | | | |
| Received but not verified share certificate(s) and share transfer deed(s) | | Stamp / Signature with Date of Selling Broker | |

| Manager to the Open Offer | Registrar to the Open Offer |
|--|--|
|  <p>FEDEX SECURITIES PRIVATE LIMITED B 7, 3rd Floor, Jay Chambers, Dayaldas Road, Vile Parle - (East), Mumbai - 400 057, Maharashtra, India Tel No.: +91 81049 85249 E-mail: mb@fedsec.in Investor Grievance E-Mail: mb@fedsec.in</p> |  <p>Skyline Financial Services Pvt. Ltd., First Floor, D 153 A Okhla Industrial Area Phase -1 New Delhi – 110 020 Tel No.: + 91 11 40450193 -197 2851 1022 Email id: ipo@skylinerta.com Website: www.skylinerta.com</p> |

| | |
|--|--|
| Website: www.fedsec.in Contact Person: Saipan Sanghvi SEBI Registration Number: INM000010163 | Investor Grievance id: grievances@skylinerta.com Contact Person: Anuj Rana SEBI Registration No.: INR000003241 |
|--|--|

INSTRUCTIONS

PLEASE NOTE THAT NO OFFER SHARES / FORMS OF ACCEPTANCE SHOULD BE SENT DIRECTLY TO THE ACQUIRERS, THE TARGET COMPANY OR THE MANAGER TO THE OFFER

1. This Form must be legible and should be filled in English only.
2. All queries pertaining to this Open Offer may be directed to the Registrar to the Offer.
3. Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective Selling Member by indicating the details of Equity Shares they intend to tender under the Open Offer.
4. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e. Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN Card (in case of joint holders, the PAN card copy of all transferors), (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained herein, by sole/ joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. **Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.** In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
5. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED**
6. Attestation, where required (as indicated in the share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to issue the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.
7. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgement with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
8. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer i.e. **Skyline Financial Services Pvt. Ltd** (at the following address: First Floor, D 153 A Okhla Industrial Area Phase -1, New Delhi – 110 020. so that the same reaches the Registrar to the Offer in no event later than Friday, December 29, 2023 (by 5.00 p.m. (IST)). The Selling Broker should place bids on the stock exchange platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip ("TRS") generated by the stock exchange bidding system. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc. The envelope should be superscribed "Classic Filaments Limited Open Offer"
9. In case of Offer Shares held in joint names, names should be filled in the same order in this Form and in the share transfer deed(s), as the order in which they hold the Offer Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Open Offer.
10. If the Offer Shares are rejected for any reason, the Offer Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
11. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF in Paragraph 8 (Procedure for Acceptance and Settlement of the Offer).
12. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
13. All the Public Shareholders are advised to refer to Paragraph X (Note on Taxation) of the LOF. However, it may be noted that Shareholders should consult with their own tax advisors for the tax provisions applicable to their particular circumstances, as the details provided in Paragraph 8 of the LOF, as referred to above, are indicative and for guidance purposes only. All documents/remittances sent by or to the Public Shareholders will be at their own risk. Public Shareholders are advised to adequately safeguard their interests in this regard.

14. The Selling Broker(s) shall print the TRS generated by the exchange bidding system.
15. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
16. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF at Paragraph 8.
17. The Form of Acceptance or TRS is not required to be submitted to the Acquirers, the Manager to the Offer or the Registrar to the Offer. Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance unless required by their respective Selling Broker. Equity Shares under lock-in will be required to fill the respective Forms of Acceptance-cum-Acknowledgment.
18. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the eligible Public Shareholders holding Equity Shares in demat form.
19. No indemnity regarding title is required from persons not registered as Public Shareholders.
20. Procedure for tendering the Offer Shares in case of non-receipt of LOF:
 - a) Public Shareholders may participate in the Open Offer by confirming their consent to participate in this Open Offer on the terms and conditions of this Open Offer as set out in the PA, the DPS, Corrigendum to the DLOF, LOF, and the issue opening public announcement cum corrigendum. They can participate by submitting an application on plain paper giving details regarding their shareholding and relevant documents mentioned in Paragraph 5 above. Public Shareholders must ensure that the Form of Acceptance, along with the TRS and requisite documents (as mentioned in Paragraph 5 above), should reach the Registrar to the Offer not later than Friday, December 29, 2023 (by 5.00 p.m. (IST)). If the signature(s) of the Public Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Target Company or are not in the same order (although attested), such applications are liable to be rejected under this Open Offer.
 - b) Alternatively, such holders of Offer Shares may also apply on the form of acceptance in relation to this Open Offer, which may be obtained from the SEBI website (www.sebi.gov.in) or from Registrar to the Offer.
21. The procedure for acceptance and settlement of the Offer and the note on taxation have been provided in the LOF under Paragraph 8.
22. The LOF along with Form of Acceptance is being dispatched to all the Public Shareholders as on the Identified Date. In case of non-receipt of the LOF, such shareholders 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 Offer Shares.
23. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirers to purchase the Offer Shares so tendered. In the event any such approvals are not submitted; the Acquirers reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.
24. In case of interest payments, if any, the final decision to deduct tax or not on the interest payments for delay in payment of consideration, or the quantum of taxes to be deducted rests solely with the Acquirers depending on the settlement mechanism for such interest payments.
25. Public Shareholders claiming that no tax is to be deducted or tax to be deducted at a lower rate should submit to the Registrar to the Offer, the following documents, as applicable:

For resident Public Shareholders:

- Self-attested copy of PAN card.
- Certificate from the income tax authorities under Section 197 of the IT Act, wherever applicable, in relation to payment of interest, if any, for delay in payment of Offer Price (certificate for deduction of tax at lower rate).
- Self-declaration in Form 15G/ Form 15H (in duplicate), if applicable.
- Self-attested copy of relevant registration or notification in support of the claim that they are otherwise eligible to exemption from withholding tax (applicable in case of interest payment, if any).

For non-resident shareholders:

- Self-attested copy of PAN Card; or
- o name, e-mail id, contact number;
- o address in the country or specified territory outside India of which the shareholder is a resident;

- o Tax Residency Certificate;
- o Form 10F; and
- o Tax Identification Number/ Unique Identification Number of the shareholder.
- Tax Residency Certificate;
- Form 10F;
- Such other information and documentation as may be required depending upon the specific terms of the relevant DTAA read with the provisions of MLI, including but not limited to a declaration of not having a permanent establishment in India and declaration of characterization of income arising from the Open Offer;
- Certificate of lower or NIL withholding tax issued by income-tax authorities indicating the TDS rate/amount of tax to be deducted by the Acquirers;
- Self-attested declaration in respect of status of shareholder (e.g., individual, firm, company, trust, or any other - please specify) and residential status as per IT Act; and
- SEBI registration certificate for FII and FPI. In an event of non-submission of aforesaid documents as may be applicable, tax will be deducted at the maximum rate applicable to the relevant category to which the Public Shareholder belongs, by the Acquirers.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING OFFER SHARES IN THIS OPEN OFFER, PLEASE REFER TO THE LOF.

All future correspondence, if any, should be addressed to Registrar to the Offer at the following address:



Skyline Financial Services Pvt. Ltd,
First Floor, D 153 A Okhla Industrial Area Phase -1
New Delhi – 110 020
Tel No.: + 91 11 40450193 -197 2851 1022
Email id: ipo@skylinerta.com
Website: www.skylinerta.com
Investor Grievance id: grievances@skylinerta.com
Contact Person: Anuj Rana
SEBI Registration No.: INR000003241

SECURITIES TRANSFER FORM

Form No. SH - 4

[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules, 2014]

Date of execution: _____/_____/_____

FOR THE CONSIDERATION stated below the “Transferor(s)” named do hereby transfer to the “Transferee(s)” named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: L17114GJ1990PLC013667
Name of the Company (in full): CLASSIC FILAMENTS LIMITED
Name of the Stock Exchange where the Company is listed, if any: BSE Limited

| DESCRIPTION OF SECURITIES: Kind/ Class of securities (1) | Nominal value of each unit of security (2) | Amount called up per unit of security (3) | Amount paid up per unit of security (4) |
|---|---|--|--|
| Equity Shares | Rs. 10.00/- | Rs.10.00/- | Rs. 10.00/- |

| No. of securities being transferred | | Consideration received | |
|--|-----------------|-------------------------------|-------------------|
| In figures | In words | In words | In figures |
| | | | |

| Distinctive number | From | | | | | | |
|---------------------------------------|-------------|--|--|--|--|--|--|
| | To | | | | | | |
| Corresponding Certificate Nos. | | | | | | | |

Transferor’s Particulars

Registered Folio Number: _____

Name(s) in full _____ PAN No. _____

Signature(s)

1. _____

2. _____

3. _____

I, hereby confirm that the transferor has signed before me.

Signature of the witness: _____

Name of the witness: _____

Address of the witness:

Transferee's Particulars

| Name in full | Father's/ mother's/ Spouse's name | Address & E-mail id | Occupation | Existing folio No., if any | Signature |
|---------------------|--|------------------------------------|-------------------|---|------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | | |

| Folio No. of Transferee | Specimen Signature of Transferee(s) |
|--------------------------------|--|
| | 1. |
| | 2. |
| | 3. |

Value of stamp affixed: Rs. _____

(Rupees _____).

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, Letter of allotment.
- (3) Copy of PAN Card of all the Transferees (For all listed Cos.)
- (4) Others, specify.....

Stamps:

| |
|--|
| |
|--|

On the reverse page of the certificate

Name of Transferor

Name of Transferee

No. of Shares Date of Transfer

Signature of authorized signatory

For office use only

Checked by: _____

Signature tallied by: _____

Entered in the Register of Transfer on _____ vide Transfer No. _____

Approval Date: _____

Power of attorney/Probate/Death Certificate/Letter of Administration Registered on _____ at
_____ No _____