

## DRAFT LETTER OF OFFER

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

The Letter of Offer (*as defined below*) will be sent to you as a Public Shareholder (*as defined below*) of Shriram Asset Management Company Limited (“**Target Company**”). If you require any clarification about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer (*as defined below*) or the Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*), please hand over the Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was effected.

#### **SANLAM EMERGING MARKETS (MAURITIUS) LIMITED**

**A private company limited by shares incorporated under the laws of Republic of Mauritius**

**Registration Number: C23504 C1/GBL**

**Registered office address: Labourdonnais Village, Mapou, Riviere du Rempart , 31803 , Mauritius**

**(Tel: +230 266 5000, Fax: +230 266 5001)**

**(hereinafter referred to as the “**Acquirer**”)**

#### **ALONG WITH**

#### **SHRIRAM CREDIT COMPANY LIMITED**

**A public company incorporated under the Companies Act, 1956**

**Corporate Identification Number: U65993TN1980PLC008215**

**Registered office address: Shriram House, No.4, Burkit Road, T Nagar, Chennai, , Tamil Nadu, India, 600017**

**(Tel: 044-49052500, Fax: 044-49052696, Website: [www.shriramcredit.in](http://www.shriramcredit.in))**

**(hereinafter referred to as the “**Promoter**”, and together with the Acquirer, “**PAC**”)**

**MAKE A CASH OFFER AT A PRICE OF INR 270 PER EQUITY SHARE (“**OFFER PRICE**”), TO ACQUIRE UP TO 4,395,499 FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF INR 10 EACH (“**OFFER SHARES**”), REPRESENTING 26.00% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW), IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED FROM TIME TO TIME (“**SEBI (SAST) REGULATIONS**”) FROM THE PUBLIC SHAREHOLDERS (“**OPEN OFFER**” OR “**OFFER**”)**

**OF**

#### **SHRIRAM ASSET MANAGEMENT COMPANY LIMITED**

**A listed public company incorporated under the Companies Act, 1956**

**Corporate Identification Number: L65991MH1994PLC079874**

**Registered office address: 217, 2nd Floor, Swastik Chambers, Near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071**

**(Tel: 022-40060810/40060815, Fax: 022- 27566634, Website: [www.shriramamc.in](http://www.shriramamc.in))**

**(hereinafter referred to as the “**Target Company**”)**

1. This Offer is being made pursuant to and in compliance with the provisions of Regulation 3 and Regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer in terms of Regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. Other than as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), as on the date of this Draft Letter of Offer, to the best of the knowledge of the PAC, there are no other statutory or other approvals required for the consummation of the Transaction (*as defined below*). In case any other statutory or other approvals become applicable and are required by the PAC at a later date before the closure of the Tendering Period (*as defined below*), this Open Offer shall be subject to receipt of such further approvals. Please refer to Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) in relation to the details of the statutory and other approvals required to complete the Underlying Transaction and the acquisition of the Offer Shares that are validly tendered pursuant to the Open Offer, which are outside the reasonable control of the PAC, and the current status of such statutory and other approval(s).
5. Where any statutory approval extends to some but not all of the Public Shareholders, the Promoter 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.
6. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Promoter shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, subject to a maximum of 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital, 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. The minimum marketable lot for the Equity Shares for the purpose of this Offer shall be one Equity Share.
7. The PAC may withdraw the Offer in accordance with the conditions specified in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) of this Draft Letter of Offer (*as defined below*). In the event of a withdrawal of the Offer, the PAC (through the Manager) shall, within two Working Days (*as defined below*) of such withdrawal, make a public announcement of such withdrawal, stating the grounds and reasons for the withdrawal, in the same newspapers in which the Detailed Public Statement (*as defined below*) was published, in accordance with Regulation 23(2) of the SEBI (SAST) Regulations and such public announcement also will be sent to the Securities and Exchange Board of India (“**SEBI**”), Stock Exchange (*as defined below*) and the Target Company at its registered office.
8. Under Regulation 18(4) of the SEBI (SAST) Regulations, the PAC is permitted to revise the Offer Price or the number of Offer Shares at any time prior to the commencement of the last one Working Day (*as defined below*) before the commencement of the Tendering Period (*as defined below*). In the event of such revision, in terms of Regulation 18 (5) of the SEBI (SAST) Regulations, the Promoter shall: (i) make corresponding increase to the escrow amount, as more particularly set out in Section V (*Offer Price and Financial Arrangements*) of this DLoF, (ii) make public announcement in the same newspapers in which the Detailed Public Statement has been published, and (iii) simultaneously notify the SEBI, Stock Exchange (*as defined below*), and the Target Company at its registered office of such revision. The Promoter shall pay such revised price for all the Equity Shares validly tendered during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations.
9. **There has been no competing offer as of the date of this DLoF.**
10. **If there is a competing offer at any time hereafter, the public offers under all subsisting bids shall open and close on the same date.**
11. Unless otherwise stated, the information set out in this DLoF reflects the position as of the date hereof.
12. A copy of the Public Announcement (*as defined below*), the Detailed Public Statement, this Draft Letter of Offer, and the Letter of Offer (including the Form of Acceptance-cum- Acknowledgement) will also be available on SEBI’s website ([www.sebi.gov.in](http://www.sebi.gov.in)).

#### **MANAGER TO THE OFFER**



**MAPE Advisory Group Private Limited**  
**10 Vasant Vihar, 2nd Floor, New Nagardas Road, Andheri East, Mumbai**  
**400069**  
**Tel. No.: +91 9821718193**  
**Email ID: compliance@mapegroup.com**  
**Contact Person: Vishwanath Poojari**  
**SEBI Registration Number: INM0000011294**

#### **REGISTRAR TO THE OFFER**



**Purva ShareRegistry (India) Private Limited**  
**9, Shiv Shakti Industrial Estate,Ground floor, Sitaram Mill**  
**Compound,J.R. Boricha Marg,Mumbai 400 011**  
**Corporate Identity Number: U67120MH1993PTC074079**  
**Tel: + 022-49614132**  
**Email: support@purvashare.com**  
**Contact Person: Mrs. Deepali Dhuri**  
**SEBI Registration Number: INR000001112**

The tentative schedule of key activities under the Offer is as follows:

| Sr. No | Activities  | Schedule of Activities (Day and Date) <sup>(1)</sup> |
|--------|---|--|
| 1      | Issue of PA   | Tuesday, 10 December 2024                            |
| 2      | Publication of DPS in newspapers  | Saturday, 14 December 2024                           |
| 3      | Last date for filing of the Draft Letter of Offer with SEBI   | Saturday, 14 December 2024                           |
| 4      | Last date for public announcement for competing offer(s)  | Monday, 6 January 2025                               |
| 5      | Last date for receipt of SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager to the Open Offer)  | Monday, 6 January 2025                               |
| 6      | Identified Date <sup>(2)</sup> for determining shareholders to whom LOF shall be sent   | Wednesday, 8 January 2025                            |
| 7      | Last date by which the LOF is to be dispatched to the Public Shareholders whose names appear on the register of members on the Identified Date, and to Stock Exchange and Target Company and Registrar to issue a dispatch completion certificate | Wednesday, 15 January 2025                           |
| 8      | Last Date by which the committee of the independent directors of the Target Company shall give its recommendation to the Public Shareholders for this Open Offer  | Monday, 20 January 2025                              |
| 9      | Last date for upward revision of the Offer Price / the size of the Open Offer   | Tuesday, 21 January 2025                             |
| 10     | Last date of publication of opening of Open Offer public announcement in the newspapers in which this DPS has been published  | Tuesday, 21 January 2025                             |
| 11     | Date of commencement of the Tendering Period (“Offer Opening Date”)   | Wednesday, 22 January 2025                           |
| 12     | Date of closure of the Tendering Period (“Offer Closing Date”)  | Tuesday, 4 February 2025                             |
| 13     | Last date of communicating the rejection/ acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders   | Tuesday, 18 February 2025                            |
| 14     | Last date for publication of post-Open Offer public announcement in the newspapers in which the DPS was published   | Thursday, 27 February 2025                           |

(1) The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations and are subject to receipt of statutory/ regulatory approvals and may have to be revised accordingly.

(2) *Identified Date refers to the date falling on the 10th Working Day prior to the commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders to whom the Letter of Offer would be sent in accordance with the SEBI (SAST) Regulations. It is clarified that all Public Shareholders are eligible to participate in the Offer any time during the Tendering Period.*

*Note: Where last dates are mentioned for certain activities, such activities may happen on or before the respective last dates.*

## RISK FACTORS

The risk factors set forth below are limited to this Offer, the Underlying Transaction contemplated under the Term Sheet, and the probable risk involved in associating with the Acquirer and the Promoter and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete or comprehensive analysis of all the risks involved in or associated with the participation by Public Shareholders in the Offer, but are merely indicative in nature. Public Shareholders are advised to consult their legal advisor, stockbrokers, investment consultants and/or tax advisors, for understanding and analysing all risks associated with respect to their participation in this Offer.

For capitalised terms used herein please refer to the section “*Definitions and Abbreviations*” set out below.

### I. Risks relating to the Offer and the Underlying Transaction

1. The Offer is an open offer under the SEBI (SAST) Regulations to acquire up to 4,395,499 Equity Shares representing 26.00% of the total Voting Share Capital, from the Public Shareholders. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital. Accordingly, there is no assurance that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted. The lien marked against the unaccepted Equity Shares tendered by the Public Shareholders shall be released in accordance with the schedule of activities for the Open Offer.
2. The consummation of the Underlying Transaction and Open Offer is subject to the receipt of the statutory and other approvals as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*). To the best of the knowledge of the PAC, other than as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), there are no other statutory or other approvals required to complete the Underlying Transaction and the Open Offer as on the date of this DLoF. If, however, any other statutory or other approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such other statutory or other approval(s) being obtained. The Target Company is in the process of making the relevant applications for the requisite approvals as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*).
3. In case of delay in receipt/non-receipt of any statutory approvals or any other approval as referred in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), SEBI may, if satisfied, that non receipt or delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the PAC 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 Promoter to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations. Where any statutory approval extends to some but not all of the Public Shareholders, Promoter shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

4. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the PAC, the approvals specified in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) or those which become applicable prior to completion of the Open Offer are not received or refused by the relevant governmental authorities, then the Acquirer and the Promoter, as persons acting in concert, shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirer and the Promoter, as persons acting in concert, (through the Manager) shall, within 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. Such public announcement for the withdrawal will be made in the same newspapers in which the Detailed Public Statement has been published and will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
5. In the event that either: (a) there is any litigation by a court of competent jurisdiction or SEBI leading to a stay/injunction on the Offer or that restricts/restrains the Acquirer or the Promoter from performing its obligations hereunder, or (b) SEBI instructs the Acquirer and/or the Promoter not to proceed with the Offer, then the Offer process may be delayed beyond the tentative schedule of activities indicated in this DLoF and the Acquirer and the Promoter, as persons acting in concert, may withdraw the Offer in terms of Regulation 23 of the SEBI (SAST) Regulations, subject to applicable law. In the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Offer, as well as removal of lien on Equity Shares not accepted under this Open Offer by the Promoter may be delayed.
6. The acquisition of Equity Shares under the 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 Offer and the transfer of Equity Shares held by them to the Promoter. All Public Shareholders (including residents, non-resident Indians, overseas corporate bodies or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the Form of Acceptance-cum-Acknowledgement, and other documents required in terms of this Letter of Offer to accept this Offer. In the event such approvals are not submitted, the Promoter reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians or overseas corporate bodies or foreign portfolio investors) had required any previous approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals and supporting documents are not submitted, the Promoter reserves the right to reject such Offer Shares. Public Shareholders classified as overseas corporate bodies (“OCB”), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and 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. 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 a repatriable or on non-repatriable basis.

7. The Public Shareholders should note that under the SEBI (SAST) Regulations, once the Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of the Equity Shares under the Offer and/ or the payment of consideration. A lien shall be marked against the Equity Shares tendered in the Offer by the Public Shareholders until the completion of the formalities of this Offer, and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of the Equity Shares in this Offer and/ or payment of consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, neither the Acquirer and/or Promoter nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
8. The Public Shareholders whose Equity Shares have been validly tendered and accepted may be subject to capital gains tax and securities transaction tax applicable to the Equity Shares accepted in this Offer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The PAC and the Manager to the Offer do not accept any responsibility in this regard.
9. This DLoF together with the DPS and the PA in connection with the Offer, has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the Securities and Exchange Board of India Act, 1992 as amended from time to time (“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. This DLoF has not been filed and the LOF shall not be filed, registered or approved in any jurisdiction outside India. The disclosures in this DLoF and the Offer particulars including but not limited to the Offer Price, Offer Size and procedures for acceptance and settlement of the Offer is governed by the SEBI (SAST) Regulations, as amended, 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.
10. Persons in possession of the Letter of Offer are required to inform themselves and comply with all applicable legal requirements and any relevant restrictions in their respective jurisdictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the PAC or the Manager to the Offer to any new or additional registration requirements. This DLoF 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. This is not an offer for sale, or a solicitation of an offer to buy in any foreign jurisdictions covered under the ‘General Disclaimer’ clause in

Section I (*Disclaimer Clause*) of this Draft Letter of Offer and cannot be accepted by any means or instrumentality from within any such foreign jurisdictions.

11. The information contained in this DLoF is as of the date of this DLoF unless expressly stated otherwise. The PAC and the Manager are under no obligation to update the information contained herein at any time after the date of this DLoF.
12. The PAC and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this DLoF, LOF or in the post Open Offer advertisement or any materials issued by or at the instance of the PAC or the Manager to the Offer in relation to the Open Offer, excluding such information pertaining to the Target Company, which has been compiled from information published publicly or publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk. Information relating to the Target Company has not been independently verified by the PAC or the Manager.

## **II. Risks involved in associating with the Acquirer and the Promoter**

1. None of the Acquirer, the Promoter or the Manager to the Offer makes any assurance with respect to: (a) the financial performance or future performance of the Target Company or the continuance of past trends in the financial performance or the future performance of the Target Company, and (b) the market price of the equity shares of the Target Company before, during or after the Offer. The Public Shareholders should not be guided by the past performance of the Promoter or any of its group companies while arriving at their decision to participate in the Open Offer. Each of the Acquirer, the Promoter and the Manager to the Offer expressly disclaim any responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any Public Shareholder on whether to participate or not in this Offer.
2. None of the Acquirer, the Promoter or the Manager to the Offer makes any assurance with respect to the Acquirer and Promoter's investment or disinvestment decisions relating to their proposed shareholding in the Target Company.
3. Neither the Acquirer, Promoter nor the Manager to the Offer or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Open Offer acceptance forms, copies of delivery instruction slips etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
4. Under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI (LODR) Regulations**”), read with Rule 19A of the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”), the Target Company, being a listed company, is required to maintain at least 25.00% of its total shareholding as public shareholding (as determined in accordance with the SCRR) on a continuous basis. If, as a result of the acquisition of Equity Shares in this Offer and pursuant to consummation of the Underlying Transaction, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirer/Promoter will ensure the Target Company's compliance with the minimum public shareholding requirement in such manner and timelines as prescribed under applicable law, which may have an adverse effect on the price and tradability of the Equity Shares.
5. The information pertaining to the Target Company contained in the PA or DPS or this Draft 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. The Acquirer and the Promoter do not accept any responsibility with respect to any information provided in the PA or the DPS or this Draft Letter of Offer or any other advertisement/publications made in connection with the Open Offer pertaining to the Target Company.

#### **CURRENCY OF PRESENTATION**

1. In this DLoF, all references to “**Rupees**”, “**Rs.**” or “**INR**” are to Indian Rupees, the official currency of the Republic of India.
2. In this DLoF, any discrepancy in any table between the total and sums of amounts listed are due to rounding off and/or regrouping.

## **INDEX**

|       |  |    |
|-------|--|----|
| I.    | DISCLAIMER CLAUSE.....                                     | 14 |
| II.   | DETAILS OF THE OFFER.....                                  | 16 |
| III.  | BACKGROUND OF THE ACQUIRER AND THE PROMOTER .....          | 23 |
| IV.   | BACKGROUND OF THE TARGET COMPANY .....                     | 37 |
| V.    | OFFER PRICE AND FINANCIAL ARRANGEMENTS.....                | 44 |
| VI.   | TERMS AND CONDITIONS OF THE OFFER.....                     | 48 |
| VII.  | PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER ..... | 53 |
| VIII. | TAX PROVISIONS.....  | 64 |
| IX.   | DOCUMENTS FOR INSPECTION.....                              | 73 |
| X.    | DECLARATION BY THE ACQUIRER AND THE PROMOTER .....         | 75 |

## DEFINITIONS / ABBREVIATIONS

| Abbreviation                            | Definition  |
|---|---|
| <b>Acquirer</b>                         | Sanlam Emerging Markets (Mauritius) Limited.  |
| <b>BSE</b>                              | BSE Limited, a company incorporated under the Companies Act 1956, having CIN L67120MH2005PLC155188, and registered office at 25th Floor, P J Towers Dalal Street, Mumbai, Maharashtra, India, 400001.   |
| <b>Buying Broker</b>                    | InCred Capital Wealth Portfolio Managers Private Limited.   |
| <b>CCI Approval</b>                     | the approval of the Competition Commission of India under the Competition Act, 2002, required for the consummation of the Transaction.  |
| <b>CDSL</b>                             | Central Depository Services (India) Limited.  |
| <b>Clearing Corporation</b>             | Indian Clearing Corporation Limited.  |
| <b>Control</b>                          | Includes the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner, provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position. |
| <b>Depositories</b>                     | CDSL and NSDL ( <i>as defined below</i> ).  |
| <b>DLoF or Draft Letter of Offer</b>    | This draft letter of offer dated 14 December 2024, in connection with this Offer, filed and submitted with SEBI, on behalf of the Acquirer and the Promoter by MAPE Advisory Group Private Limited as the Manager to the Offer, pursuant to the provisions of Regulation 16(1) of the SEBI (AST) Regulations, for its observations.   |
| <b>DP</b>                               | Depository Participant.   |
| <b>DPS or Detailed Public Statement</b> | Detailed Public Statement dated 13 December 2024, in connection with this Offer, published on behalf of the Acquirer and the Promoter by MAPE Advisory Group Private Limited as the Manager to the Offer, on 14 December 2024, in Business Standard (English) (all editions), Business Standard (Hindi) (all editions), and Navshakti (Marathi Daily) (Mumbai Edition).   |
| <b>Equity Shares</b>                    | Fully paid-up equity shares of the Target Company having face value of INR 10 each.   |
| <b>Existing Share Capital</b>           | The total voting equity share capital of the Target Company on a fully diluted basis as on the date of this DLOF <i>i.e.</i> , 13,016,875 Equity Shares   |
| <b>FEMA</b>                             | The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended, modified, or substituted from time to time.  |
| <b>FI</b>                               | Financial Institutions.   |
| <b>FII or FPI</b>                       | Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA.   |

| Abbreviation   | Definition  |
|--|---|
| <b>Form of Acceptance-cum-Acknowledgement or FOA</b> | Form of acceptance-cum-acknowledgement, which will be accompanied with the Letter of Offer.   |
| <b>Identified Date</b>                               | Date falling on the tenth Working Day ( <i>as defined below</i> ) prior to the commencement of the Tendering Period ( <i>as defined below</i> ), for the purpose of determining the Public Shareholders ( <i>as defined below</i> ) to whom the Letter of Offer shall be sent.  |
| <b>Letter of Offer or LOF</b>                        | Letter of Offer, including Form of Acceptance-cum-Acknowledgement, which shall be dispatched to the Public Shareholders of the Target Company in accordance with the provisions of the SEBI (AST) Regulations.  |
| <b>NSDL</b>  | National Securities Depository Limited.   |
| <b>NRI</b>   | Non-resident Indian.  |
| <b>OCB</b>   | Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000.  |
| <b>Offer or Open Offer</b>                           | The open offer by the Acquirer and the Promoter, as persons acting in concert, for acquisition of up to 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital of the Target Company pursuant to and in compliance with the requirements of the SEBI (AST) Regulations.   |
| <b>Offer Period</b>                                  | Offer Period has the meaning ascribed to it under the SEBI (AST) Regulations.   |
| <b>Offer Shares or Offer Size</b>                    | 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital proposed to be acquired by the Promoter pursuant to the Open Offer from the Public Shareholders.   |
| <b>Offer Price</b>                                   | Price of INR 270 per Equity Share determined in accordance with Regulation 8(1) and Regulation 8(2) of the SEBI (AST) Regulations.  |
| <b>Promoter</b>                                      | Shriram Credit Company Limited.   |
| <b>Public Announcement or PA</b>                     | Public Announcement dated 10 December 2024 in connection with this Offer issued by MAPE Advisory Group Private Limited as the Manager to the Offer, on behalf of the Acquirer and the Promoter, as persons acting in concert, and sent to the Stock Exchange, SEBI and the registered office of the Target Company in accordance with the SEBI (AST) Regulations. |
| <b>Public Shareholders</b>                           | All the public equity shareholders of the Target Company, excluding (i) the Acquirer; (ii) the Promoter; and (iii) the parties to the underlying Term Sheet ( <i>defined below</i> ) including persons deemed to be acting in concert with such parties to the Term Sheet, as the case may be.  |
| <b>RBI</b>   | Reserve Bank of India.  |
| <b>Registrar to the Offer</b>                        | Purva Shareregistry (India) Private Limited.  |
| <b>SARB Approval</b>                                 | means the approval from the South African Reserve Bank for the purposes of acquiring Subscription Shares ( <i>as defined below</i> ) by the Acquirer pursuant to  |

| Abbreviation                                | Definition  |
|---|---|
|   | the terms and conditions specified in the Term Sheet and the Transaction ( <i>as defined below</i> )  |
| <b>SCRR</b>                                 | Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereof.  |
| <b>SEBI</b>                                 | Securities and Exchange Board of India.   |
| <b>SEBI Approvals</b>                       | collectively means: (i) the approval to be obtained by the Target Company from SEBI (as defined below) for change in control ( <i>i.e., holding 10.00% or more of the voting rights</i> ) in accordance with the SEBI (Mutual Funds) Regulations, 1996 read with SEBI Master Circular SEBI/HO/IMD -PoD-1/P/CIR/2024/90 dated 27 June 2024, as amended from time to time, and (ii) the approval to be obtained by the Target Company from SEBI (as defined below) for change in Control in accordance with the SEBI (Portfolio Managers) Regulations, 2020 read with the SEBI Master Circular SEBI/HO/IMD/IMD-POD-1/P/CIR/2024/80 dated 7 June 2024, as amended from time to time. |
| <b>SEBI (ICDR) Regulations</b>              | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereof.  |
| <b>SEBI (LODR) Regulations</b>              | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereof.   |
| <b>SEBI (SAST) Regulations</b>              | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof.   |
| <b>SEBI Act</b>                             | Securities and Exchange Board of India Act, 1992, as amended from time to time.   |
| <b>Stock Exchange</b>                       | means BSE.  |
| <b>Stock Exchange In-principle Approval</b> | The in-principle approval to be obtained by the Company prior to the Preferential Issue in accordance with Regulation 28(1) of the SEBI (LODR) Regulations from BSE   |
| <b>Subscription Shares</b>                  | 3,888,889 Equity Shares, representing 23.00% of the Voting Share Capital of the Target Company, to be allotted by the Target Company and subscribed to by the Acquirer, in accordance with the terms and conditions as set out in the Term Sheet.   |
| <b>Tendering Period</b>                     | The period of ten Working Days during which the Public Shareholders may tender their Equity Shares in acceptance of the Offer under the SEBI (SAST) Regulations, which shall be duly disclosed to the Public Shareholders in the LOF.   |
| <b>Term Sheet</b>                           | a binding term sheet dated 10 December 2024 executed by and amongst the Acquirer, the Promoter, and the Target Company for subscription of 3,888,889 Equity Shares by the Acquirer, constituting 23.00% of the Voting Share Capital of the Target Company, at a subscription price of INR 270 per Equity Share, for a maximum aggregate consideration of INR 1,050,000,030, in accordance with the terms and conditions as set out thereunder.  |
| <b>Transaction</b>                          | Collectively means the Underlying Transaction and the Open Offer.   |

| Abbreviation                  | Definition   |
|-------------------------------|--|
| <b>Trustee Approval</b>       | The prior approval to be obtained by the Target Company from the trustees of the mutual funds managed by the Target Company for change in control ( <i>i.e., holding 10.00% or more of the voting rights</i> ) as required under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 as amended from time to time.   |
| <b>Underlying Transaction</b> | Underlying Transaction has the meaning ascribed to it in Paragraph 3 of Part A ( <i>Background to the Offer</i> ) of Section II ( <i>Details of the Offer</i> ) of this Draft Letter of Offer.   |
| <b>Voting Share Capital</b>   | The total voting equity share capital of the Target Company on a fully diluted basis as of the tenth Working Day from the closure of the Tendering Period for the Open Offer. This includes 3,888,889 Equity Shares to be allotted by the Target Company to the Acquirer in terms of the Term Sheet ( <i>as defined above</i> ), subject to the approval of the shareholders of the Target Company and other statutory/ regulatory approvals, including the CCI Approval ( <i>as defined above</i> ), SEBI Approvals ( <i>as defined above</i> ), SARB Approval ( <i>as defined above</i> ), Stock Exchange In-principle Approval ( <i>as defined above</i> ) and Trustee Approval ( <i>as defined above</i> ) |
| <b>Working Day</b>            | Working day as defined under the SEBI (SAST) Regulations, in Mumbai.   |

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

## I. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THIS DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THIS DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF SHIRIRAM ASSET MANAGEMENT COMPANY LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, THE PROMOTER OR THE TARGET COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND THE PROMOTER, AS PERSONS ACTING IN CONCERT, ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND THE PROMOTER, AS PERSONS ACTING IN CONCERT, DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OPEN OFFER, MAPE ADVISORY GROUP PRIVATE LIMITED, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 14 DECEMBER 2024 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PROMOTER, FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

### GENERAL

THIS DRAFT LETTER OF OFFER TOGETHER WITH THE DPS AND THE PA IN CONNECTION WITH THE OFFER, HAS 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 DRAFT LETTER OF OFFER AND THE OFFER PARTICULARS INCLUDING BUT NOT LIMITED TO THE OFFER PRICE, OFFER SIZE AND PROCEDURES FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER IS 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

**DRAFT LETTER OF OFFER IS AS OF THE DATE OF THIS DRAFT LETTER OF OFFER. THE ACQUIRER AND THE PROMOTER, AS PERSONS ACTING IN CONCERT, THE MANAGER TO THE OFFER AND ANY PERSONS DEEMED TO BE ACTING IN CONCERT WITH THE PAC ARE UNDER NO OBLIGATION TO UPDATE THE INFORMATION CONTAINED HEREIN AT ANY TIME AFTER THE DATE OF THIS DRAFT LETTER OF OFFER.**

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

## II. DETAILS OF THE OFFER

### A. Background to the Offer

1. This Open Offer is a mandatory offer made by the Acquirer and the Promoter, as persons acting in concert, in compliance with Regulations 3 and 4 of the SEBI (SAST) Regulations pursuant to the board resolution approving the Preferential Issue (*defined below*) and the Term Sheet in relation to the Underlying Transaction.
2. This Offer is being made by the Acquirer and the Promoter, as persons acting in concert, to the Public Shareholders to acquire up to 4,395,499 Equity Shares representing 26.00% of the Voting Share Capital (“**Offer Size**”), at an offer price of INR 270 per Equity Share (“**Offer Price**”) determined in accordance with the provisions of the SEBI (SAST) Regulations. Assuming full acceptance of the Offer, the aggregate consideration payable to the Public Shareholders in accordance with the SEBI (SAST) Regulations will be up to INR 1,186,784,730 (“**Maximum Open Offer Consideration**”). The Offer Price has been determined in accordance with Regulation 8(2) of the SEBI (SAST) Regulations. The Offer Price will be payable in cash by the Promoter, in accordance with the provisions of Regulation 9(1) of the SEBI (SAST) Regulations, and subject to the terms and conditions set out in this DLoF and the Letter of Offer that will be sent to the Public Shareholders in accordance with the provisions of the SEBI (SAST) Regulations.
3. Pursuant to the execution of the Term Sheet, the board of directors of the Target Company at their meeting held on 10 December 2024, has authorized the issuance and allotment of 3,888,889 Equity Shares to the Acquirer (“**Subscription Shares**”), constituting 23.00% of the Voting Share Capital of the Target Company, at a subscription price of INR 270 per Subscription Share, by way of preferential allotment for an aggregate consideration of INR 1,050,000,030, subject to the terms and conditions as set out in the Term Sheet including but not limited to the receipt of the approval of the equity shareholders of the Target Company, CCI Approval, SEBI Approvals, SARB Approval, Stock Exchange In-principle Approval and Trustee Approval, and in compliance with the provisions of Companies Act, 2013 and Chapter V of the SEBI (ICDR) Regulations (“**Preferential Issue**”). Further, pursuant to the transactions contemplated under the Term Sheet: (a) the Promoter will be a person acting in concert with the Acquirer to acquire shares and voting rights pursuant to the Open Offer; and (b) the Promoter and the Acquirer will jointly control the Target Company, on mutually agreed terms, and the Acquirer will become the promoter of the Target Company, while the Promoter will continue to be the other promoter of the Target Company. (“**Underlying Transaction**”)
4. Upon the completion of the Underlying Transaction: (a) the Acquirer together with the Promoter, currently holding shares and voting rights in excess of 25.00% in the Target Company, will be acquiring shares and voting rights in excess of 5.00% of the total voting rights in the Target Company in the current financial year ending 31 March 2025; and (b) the Acquirer will be acquiring joint control with the Promoter over the Target Company, on mutually agreed terms.
5. The consent of the members of the Target Company for the proposed Preferential Issue is being sought through issuance of notice of the extraordinary general meeting to be held on 8 January 2025. The Target Company will declare the voting results of the extraordinary general meeting within the statutory prescribed timeline.
6. There are no selling shareholders in the Underlying Transaction.

7. The Offer is not pursuant to any open market purchase or a global acquisition resulting in an indirect acquisition of the Equity Shares of the Target Company.
8. Salient features of the Term Sheet and the Underlying Transaction are set out below:
  - (a) The Term Sheet summarises the principal terms of the proposed Preferential Allotment and the terms and conditions agreed between the Acquirer, the Promoter and the Target Company, and their respective rights and obligations. The Acquirer, Promoter and Target Company will execute further definitive documents based on the Term Sheet.
  - (b) On implementation of the Transaction: (a) the Promoter will be a person acting in concert with the Acquirer to acquire shares and voting rights pursuant to the Open Offer; and (b) the Promoter and the Acquirer will jointly control the Company, on mutually agreed terms.
  - (c) The maximum consideration payable by the Acquirer to the Target Company for subscription of the Subscription Shares (i.e., INR 1,050,000,030) by way of the Preferential Issue has been determined based on a maximum price of INR 270 per Subscription Share as determined in accordance with SEBI (ICDR) Regulations, 2018.
  - (d) The proceeds received by the Target Company for the allotment of the Subscription Shares will be used for the expenses for the issue, working capital purposes and/or business expansion requirements and/or such other purposes as the board of the Company may decide, subject to all applicable laws and necessary disclosures required in this regard.
  - (e) The board of directors of the Target Company will be reconstituted to consist of up to 15 directors. The Promoter and the Acquirer shall each have the right to nominate up to 2 directors on the board of the Target Company.
  - (f) The Acquirer and the Promoter shall have a right of pre-emption and a right of first refusal (**ROFR**) in relation to the sale of shares by the other subject to applicable laws. Further, the Acquirer shall have (i) certain rights with respect to management and governance of the Target Company, along with the Promoter; (ii) certain consent rights with respect to the affairs of the Target Company; and (iii) a tag along right in case of any change in ownership and/or control of the Promoter, or in case of any transfer of shares by the Promoter, subject to applicable laws. The detailed rights shall be set out in the definitive documents.
  - (g) Consummation of the Underlying Transaction is subject to the following conditions:
    - (i) the receipt of the statutory and other approvals as set forth in more detail in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) below, including, but not limited to the approval of the shareholders of the Target Company, CCI Approval, SARB Approval, SEBI Approvals, Stock Exchange In-principle Approval, and the Trustee Approval,
    - (ii) the Target Company is required to issue an exit option letter to all the unitholders of the mutual funds; and issue a written communication and an advertisement regarding the Underlying Transaction leading to change in control (*as defined under the SEBI (Mutual Funds) Regulations, 1996*) in one

English daily newspaper having nationwide circulation and, in a regional newspaper, where the head office of the mutual fund is situated, pursuant to the contemplated change in control, in accordance with the provisions of the SEBI (Mutual Fund) Regulations, 1996; and

- (iii) the Company will be required to give an option to its existing investors/clients (if any) to exit without any exit load, pursuant to the contemplated change in control, in accordance with the provisions of the SEBI (Portfolio Managers) Regulations, 2020.

Subject to the satisfaction of the conditions to the Underlying Transaction as set out in this paragraph 8 above, the Acquirer may, after the expiry of 21 working days from the date of the DPS acquire the Subscription Shares and joint control with the Promoter, as persons acting in concert, over the Target Company in compliance with Regulation 22(2) of the SEBI (SAST) Regulations and hence, be classified as the promoter of the Target Company along with the Promoter.

9. Details of the Underlying Transaction pursuant to the Term Sheet are set out below:

| Details of the Underlying Transaction  |   |   |  |   |                                    |  |
|--|---|---|--|---|------------------------------------|--|
| 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 rights acquired (INR)  | Mode of payment (cash/ securities) | Regulation which has triggered                     |
|  |   | Number  | % vis a vis total equity /voting rights                                  |   |                                    |  |
| Direct                                 | The board of directors of the Target Company passed a board resolution on 10 December 2024, authorizing the Preferential Issue for a total consideration of INR 1,050,000,030. The details of the Preferential Issue are set out in the Term Sheet. | Acquisition of 3,888,889 Equity Shares                  | Acquisition of 23.00% of the Voting Share Capital of the Target Company* | Subscription price of INR 270 per Equity Share and for an aggregate consideration of INR 1,050,000,030. | Cash                               | Regulations 3 and 4 of the SEBI (SAST) Regulations |

\* As per the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company, being a listed company, is required to maintain at least 25.00% of its total shareholding as public shareholding (as determined in accordance with SCRR) on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Offer and pursuant to consummation of the Underlying Transaction, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Promoter will ensure the Target Company's compliance with the minimum public shareholding requirement in such manner and timelines as prescribed under applicable law.

10. As per Regulation 26(6) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to, upon receipt of the Detailed Public Statement, constitute a committee of independent directors to provide its written reasoned recommendations on the Open Offer to the Public Shareholders. As per Regulation 26(7) read with Regulation 26(6) of the SEBI

(SAST) Regulations, the written reasoned recommendations of the committee of independent directors shall be published by the Target Company at least two Working Days prior to the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published and simultaneously, a copy of such recommendations needs to be sent to SEBI, the Stock Exchange and to the Manager to the Offer.

11. In terms of Regulation 16(1) of the SEBI (SAST) Regulations, this DLoF is being issued within 5 Working Days from the date of the DPS.
12. As of the date of this DLoF, other than Ms. Subhasri Sriram who is a director on the board of directors of the Promoter as well as the Target Company, the Acquirer and the Promoter do not have any nominee directors or representatives on the board of directors of the Target Company. However, on consummation of the Underlying Transaction and the Open Offer, the Acquirer and the Promoter may appoint their relevant representatives as directors of the Target Company in compliance with the applicable laws.
13. The Acquirer and Promoter have not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any regulations made under the SEBI Act.

**B. Details of the proposed Offer**

1. The Public Announcement announcing the Open Offer under Regulations 3 and 4 read with Regulations 13(1), 14 and 15(1) of the SEBI (SAST) Regulations, was sent to the Stock Exchange on 10 December 2024. The Public Announcement was also sent to SEBI and to the registered office of the Target Company on 10 December 2024 in terms of Regulation 14(2) of the SEBI (SAST) Regulations.
2. In accordance with Regulation 13(4) and Regulation 14(3) of the SEBI (SAST) Regulations, the Detailed Public Statement dated 13 December 2024 in respect of the Open Offer was published on 14 December 2024 in the following newspapers:

| Newspaper         | Language | Editions       |
|-------------------|----------|----------------|
| Business Standard | English  | All editions   |
| Business Standard | Hindi    | All editions   |
| Navshakti         | Marathi* | Mumbai edition |

*\*Marathi being the regional language at the place where the registered office of the Target Company is situated i.e. Mumbai and at the place of the stock exchange where the maximum volume of trading in the shares of the Target Company are recorded during the sixty trading days preceding the date of the Public Announcement i.e. BSE Limited.*

Simultaneously, a copy of the Detailed Public Statement was sent through the Manager to the Offer to: (a) SEBI; (b) the Stock Exchange; and (c) the Target Company at its registered office, in accordance with Regulation 14(4) of the SEBI (SAST) Regulations.

3. A copy of the Public Announcement and the Detailed Public Statement is also available on the website of SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)).

4. The Offer is being made jointly by the Acquirer and the Promoter, as persons acting in concert, to all Public Shareholders of the Target Company in terms of Regulation 3 and Regulation 4 of the SEBI (SAST) Regulations.
5. The Acquirer and the Promoter, as persons acting in concert, are making the Offer to the Public Shareholders under the SEBI (SAST) Regulations for the acquisition of up to 4,395,499 Equity Shares representing 26.00% of the Voting Share Capital at an offer price of Rs. 270 per Equity Share, determined in accordance with SEBI (SAST) Regulations aggregating to total consideration of up to INR 1,186,784,730 (assuming full acceptance) subject to the terms and conditions mentioned in the Public Announcement, the Detailed Public Statement and to be set out in the Letter of Offer. Under the Offer, the Promoter shall acquire only fully-paid up Equity Shares. The Offer Price will be paid in cash in accordance with Regulation 9(1) of the SEBI (SAST) Regulations and subject to the terms and conditions mentioned in the PA, the DPS and the DLoF and in accordance with the SEBI (SAST) Regulations. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders, is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition of a maximum of 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital, in consultation with the Manager to the Open Offer.
6. As on date of DLoF there is only one class of Equity Shares and there are no: (i) partly paid-up equity shares, (ii) equity shares carrying differential voting rights; and/ or (iii) outstanding convertible instruments issued by the Target Company which are convertible into Equity Shares of the Target Company.
7. As on date of this DLoF, the Existing Share Capital of the Target Company is as follows:

| Particulars                       | Issued and paid-up shares<br>(Number of Equity Shares) | % of Existing Share Capital |
|-----------------------------------|--|-----------------------------|
| Fully paid-up Equity Shares       | 13,016,875   | 100%                        |
| Partly paid-up Equity Shares      | Nil  | Nil                         |
| Total paid-up Equity Shares       | 13,016,875   | 100%                        |
| <b>Total Voting Share Capital</b> | <b>13,016,875</b>                                      | <b>100%</b>                 |

8. The Offer Price is subject to revisions pursuant to SEBI (SAST) Regulations, if any, or at the discretion of the PAC at any time prior to one Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) and Regulation 18(5) of the SEBI (SAST) Regulations.
9. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
10. The Acquirer and the Promoter have not acquired any Equity Shares between the date of the PA i.e., 10 December 2024 and the date of this Draft Letter of Offer.
11. This is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations and there has been no competing offer under Regulation 20 of the SEBI (SAST) Regulations as on the date of this DLoF.

12. There is no differential pricing being offered for the Equity Shares tendered in this Offer.
13. The Equity Shares are listed on the Stock Exchange.
14. Please refer to Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), in relation to the details of the statutory and other approvals required to complete the Underlying Transaction and the acquisition of the Offer Shares that are validly tendered pursuant to the Open Offer, which are outside the reasonable control of the PAC. In case any other statutory approvals become applicable and are required by the PAC at a later date before the closure of the Tendering Period, this Open Offer shall be subject to receipt of such further approvals. Where any statutory or other approval extends to some but not all the Public Shareholders, the Promoter 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.
15. All Public Shareholders (including residents, non-resident Indians, overseas corporate bodies or non-resident shareholders) must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) held by them in the Offer and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Promoter reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians or overseas corporate bodies or foreign portfolio investors) had required any previous approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals and supporting documents are not submitted, the Promoter reserves the right to reject such Offer Shares.
16. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, if, for reasons outside the reasonable control of the PAC, the approvals (whether in relation to the acquisition of the Subscription Shares or the Offer Shares or both) specified in Part C (*Statutory and Other Approvals*) of Section VI (*Statutory and Other Approvals*) or any other statutory approvals, which may become applicable prior to completion of the Open Offer, are not received or are refused by the relevant governmental authorities, then the Acquirer and the Promoter, as persons acting in concert, shall have the right to withdraw the Open Offer. In the event of a withdrawal of the Open Offer, the Acquirer and the Promoter, as persons acting in concert, (through the Manager) shall, within two Working Days of the withdrawal, make a public announcement of the withdrawal stating the grounds and reasons for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations. Such public announcement for the withdrawal will be made in the same newspapers in which the DPS has been published and will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
17. Pursuant to the Offer and the consummation of the Underlying Transaction, the Acquirer will be acquiring joint control with the Promoter, as persons acting in concert, over the Target Company, on mutually agreed terms, and the Acquirer will become the promoter of the Target Company, and the Promoter will continue to be the other promoter of the Target Company.
18. As per the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company, being a listed company, is required to maintain at least 25.00% of its total shareholding as public shareholding (as determined in accordance with SCRR) on a continuous

basis for listing. If, as a result of the acquisition of Equity Shares in this Offer and pursuant to consummation of the Underlying Transaction, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Promoter will ensure the Target Company's compliance with the minimum public shareholding requirement in such manner and timelines as prescribed under applicable law.

19. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that the Equity Shares are clear from all liens, charges and encumbrances. The Offer Shares will be acquired by the Promoter, subject to such Offer Shares being validly tendered during the Tendering Period, 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 in relation thereto, and the tendering Public Shareholders shall have obtained all necessary consents required by them to sell the Equity Shares on the foregoing basis.
20. The Manager to the Offer does not hold any Equity Shares of the Target Company. The Manager to the Offer further declares and undertakes not to deal on their account in the Equity Shares during the Offer Period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.

**C. Object of the acquisition/ Offer**

1. The prime objective of the PAC for undertaking the Underlying Transaction is to acquire a stake and joint control over the Target Company, with a view to work with the management and employees of the Target Company to accelerate the Target Company's growth across asset management solutions including mutual funds, advisory and portfolio management services. The Target Company is currently engaged in the business of *inter alia* fund management and other related services using both quantitative and fundamental techniques, and marketing of the same. The Acquirer and the Promoter, as persons acting in concert, propose to continue with the existing activities.
2. The PAC do not intend to delist the Target Company pursuant to this Open Offer.
3. After completion of the Open Offer, the Acquirer and the Promoter may consider various options for distribution of capital to the shareholders of the Target Company from time to time including any buybacks (which may or may not be at a premium to the market price) or declaration of special or interim dividends to shareholders, in each case, subject to applicable laws. None of the Acquirer and the Promoter or the Manager to the Offer make any assurance with respect to the Target Company or its board of directors considering, favourably or otherwise, any buyback or dividend proposed by the Acquirer. The Acquirer and the Promoter, as persons acting in concert, are merely making these disclosures in good faith and expressly disclaims its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by the board of directors or the shareholders of the Target Company.
4. In terms of the Regulation 25(2) of the SEBI (SAST) Regulations, as on the date of this DLoF, the PAC have no intention to alienate any material assets of the Target Company whether by way of sale, lease, encumbrance or otherwise for a period of two years from the Offer Period of this Open Offer except:
  - (a) in the ordinary course of business (including for the restructure or disposal of assets and creation of encumbrances in accordance with business requirements);

- (b) to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company, to improve operational efficiencies and for other commercial reasons;
- (c) 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;
- (d) as has already been disclosed by the Target Company in the public domain; or
- (e) with the prior approval of the shareholders as required under applicable law, including in accordance with the proviso to Regulation 25(2) of the SEBI (AST) Regulations.

### **III. BACKGROUND OF THE ACQUIRER AND THE PROMOTER**

#### **A. Information about the Acquirer:**

1. The Acquirer, i.e., Sanlam Emerging Markets (Mauritius) Limited, is incorporated as a private company limited by shares under the laws of Republic of Mauritius on 23 December 1999 in Riviere du Rempart, Mauritius with registration number C23504 C1/GBL. The registered office of the Acquirer is located at Labourdonnais Village, Mapou, Riviere du Rempart, 31803, Mauritius. The contact details of the Acquirer are as follows: telephone number: +230 266 5000 and fax number: +230 266 5001. The Acquirer was originally incorporated with the name Africa Life Mauritius Limited. The name of the Acquirer was subsequently changed to Sanlam Emerging Markets (Mauritius) Limited, with effect from 11 October 2011.
2. The principal activity of the Acquirer is that of investment holding for companies in the financial services sector and related activities.
3. The Acquirer holds 40.70% stake in Shriram Capital Private Limited, which in turn holds 63.88% shareholding in Shriram Investments Holdings Private Limited (“**SIHPL**”). Further, Shriram Capital Private Limited is the ultimate holding company of the Promoter.
4. The Acquirer belongs to the Sanlam Group.
5. The Acquirer is a wholly owned subsidiary of Sanlam Emerging Markets (Pty) Ltd (South Africa) which in turn is a wholly owned subsidiary of Sanlam Life Insurance Limited (South Africa). Further, Sanlam Life Insurance Limited (South Africa) is a wholly owned subsidiary of Sanlam Limited (South Africa). Sanlam Limited (South Africa) is a public limited company listed on Johannesburg Stock Exchange and Namibian Stock Exchange. Sanlam Emerging Markets (Pty) Ltd (South Africa) is the promoter and person in control of the Acquirer.
6. The shareholding pattern of the Acquirer as on the date of this Draft Letter of Offer is set out below:

| <b>S. No.</b> | <b>Category of Shareholder</b>   | <b>Number of shares<sup>(1)</sup> held</b> | <b>Percentage of shares held</b> |
|---------------|--|--|----------------------------------|
| 1.            | Sanlam Emerging Markets (Pty) Ltd<br>(South Africa)<br><i>(promoter shareholder)</i> | 422,451,552                                | 100.00%                          |

| S. No.                       | Category of Shareholder                         | Number of shares <sup>(1)</sup> held | Percentage of shares held |
|------------------------------|---|--------------------------------------|---------------------------|
| 2.                           | FPIs/ Mutual Funds/Financial Institutions/Banks | Nil                                  | Nil                       |
| 3.                           | Public  | Nil                                  | Nil                       |
| <b>Total paid-up capital</b> |   | 422,451,552                          | 100.00%                   |

(1) Refers to ordinary shares of USD 1 each.

7. The equity shares of the Acquirer are not listed on any stock exchange in India or abroad.
8. Neither the Acquirer nor its directors or key employees have any relationship or interest in the Target Company except for the Underlying Transaction. Further, there are no common directors on the board of the Acquirer and the Target Company
9. The Acquirer, its directors, and key employees of the Acquirer do not hold any Equity Shares or voting rights in the Target Company as of the date of this DLOF. Furthermore, the Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA.
10. The board of directors of the Acquirer comprises the following members:

| Name          | Director Identification Number (if applicable) | Date of initial appointment | Experience and qualification   |
|---------------|--|-----------------------------|--|
| Thian Fick    | NA   | 1 June 2014                 | Thian Fick has been associated with the Sanlam Group since 2006 and is currently designated as an Executive- Actuarial and Capital Management for the Acquirer. He holds a bachelor's degree in B.Com (Actuarial Science) from University of Stellenbosch (South Africa) and has completed Sanlam Executive Leadership Program via GIBS: 2016.   |
| Gael Duchenne | NA   | 1 December 2020             | Gael Duchenne has been associated with the Sanlam Group since 2011 as Managing Director of Sanlam Trustees International Ltd. Prior to joining the Sanlam Group, he had work experience of more than 5 years into compliance and secretarial.<br><br>He is a qualified chartered secretary from Institute of Chartered Secretaries and Administrators (South Africa). Further, he holds Diploma from Management Accounting and Finance from Varsity College (South Africa) and MSC degree in Corporate |

| <b>Name</b>     | <b>Director Identification Number (if applicable)</b> | <b>Date of initial appointment</b> | <b>Experience and qualification</b>  |
|-----------------|---|------------------------------------|--|
|                 |   |                                    | Governance from London South Bank University.  |
| Divya Heeralall | NA  | 1 December 2020                    | <p>Divya Heeralall is currently designated as Manager – French Desk in Sanlam Trustees International Ltd. Prior to joining the Sanlam Group, she had work experience of more than 8 years into corporate management.</p> <p>She is a qualified chartered certified accountant from the Association of Chartered Certified Accountants, United Kingdom and holds a degree in 'Droit, Economie, Gestion' from Universite Aix- Marseille 3.</p> |

11. The Acquirer 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 or under any regulations made under the SEBI Act.
12. Neither the Acquirer nor its directors are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
13. Neither the Acquirer nor its directors are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
14. There are no show cause notices issued, orders passed, directions subsisting or proceedings pending against the Acquirer under the SEBI Act and regulations made thereunder. Further, there are no regulatory proceedings initiated by any regulatory authority which are currently pending against the Acquirer.
15. The key financial information of the Acquirer as at and for the nine month period ended 30 September 2024 extracted from the certified management accounts, and audited financial information for each of the three financial years (as followed by the Acquirer) ended 31 December 2023, 31 December 2022, and 31 December 2021 of the Acquirer extracted from the relevant audited financial statements, are as follows:

| <u>Profit and Loss Statement</u>                    |   |                     |   |                     |   |                     |   |                     |
|---|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Particulars   | As at and for the nine month period ended 30 September 2024 |                     | As at and for financial year ended 31 December 2023 |                     | As at and for financial year ended 31 December 2022 |                     | As at and for financial year ended 31 December 2021 |                     |
|   | <i>In USD</i>   | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> |
| Income from Operations                              | 9,723,751   | 8,234.90            | 31,532,855  | 26,704.70           | 22,089,981  | 18,707.67           | 20,093,772  | 17,017.11           |
| Other Income  | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| <b>Total Income</b>                                 | <b>9,723,751</b>  | <b>8,234.90</b>     | <b>31,532,855</b>                                   | <b>26,704.70</b>    | <b>22,089,981</b>                                   | <b>18,707.67</b>    | <b>20,093,772</b>                                   | <b>17,017.11</b>    |
| Total Expenditure                                   | 162,267   | 137.42              | 61,480  | 52.07               | 158,888   | 134.56              | 135,614   | 114.85              |
| <b>Profit before Depreciation, Interest and Tax</b> | <b>9,561,484</b>  | <b>8,097.48</b>     | <b>31,471,375</b>                                   | <b>26,652.63</b>    | <b>21,931,093</b>                                   | <b>18,573.11</b>    | <b>19,958,158</b>                                   | <b>16,902.26</b>    |
| Depreciation  | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| Interest  | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| <b>Profit before Tax</b>                            | <b>9,561,484</b>  | <b>8,097.48</b>     | <b>31,471,375</b>                                   | <b>26,652.63</b>    | <b>21,931,093</b>                                   | <b>18,573.11</b>    | <b>19,958,158</b>                                   | <b>16,902.26</b>    |
| Provision for Tax                                   | 475,162   | 402.41              | 1,573,371   | 1,332.46            | 1,101,338   | 932.71              | 910,189   | 770.83              |
| <b>Profit After Tax</b>                             | <b>9,086,322</b>  | <b>7,695.07</b>     | <b>29,898,004</b>                                   | <b>25,320.</b>      | <b>20,829,755</b>                                   | <b>17,640.40</b>    | <b>19,047,969</b>                                   | <b>16,131.43</b>    |

| <u>Balance Sheet</u>                                  |   |                     |   |                     |   |                     |   |                     |
|---|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Particulars   | As at and for the nine month period ended 30 September 2024 |                     | As at and for financial year ended 31 December 2023 |                     | As at and for financial year ended 31 December 2022 |                     | As at and for financial year ended 31 December 2021 |                     |
|   | <i>In USD</i>   | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> |
| <b>Sources of funds</b>                               |   |                     |   |                     |   |                     |   |                     |
| Paid up share capital                                 | 422,451,552   | 357,767.88          | 422,451,552   | 357,767.88          | 422,451,552   | 357,767.88          | 422,451,552   | 357,767.88          |
| Reserves and Surplus (excluding revaluation reserves) | <b>31,523</b>   | <b>26.70</b>        | <b>165,200</b>                                      | <b>139.91</b>       | <b>3,142,196</b>                                    | <b>2,661.08</b>     | <b>1,993,973</b>                                    | <b>1,688.67</b>     |

| <u>Balance Sheet</u>                            |   |                     |   |                     |   |                     |   |                     |
|---|---|---------------------|---|---------------------|---|---------------------|---|---------------------|
| Particulars                                     | As at and for the nine month period ended 30 September 2024 |                     | As at and for financial year ended 31 December 2023 |                     | As at and for financial year ended 31 December 2022 |                     | As at and for financial year ended 31 December 2021 |                     |
|   | <i>In USD</i>   | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> | <i>In USD</i>                                       | <i>In INR Lakhs</i> |
| <b>Net worth</b>                                | <b>422,483.07</b><br>5                                      | <b>357,794.58</b>   | <b>422,616.75</b>                                   | <b>357,907.79</b>   | <b>425,593.74</b><br>8                              | <b>360,428.96</b>   | <b>424,445.52</b><br>5                              | <b>359,456.55</b>   |
| Secured loans                                   | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| Unsecured loans                                 | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| <b>Total</b>                                    | <b>422,483.07</b><br>5                                      | <b>357,794.58</b>   | <b>422,616.75</b>                                   | <b>357,907.79</b>   | <b>425,593.74</b><br>8                              | <b>360,428.96</b>   | <b>424,445.52</b><br>5                              | <b>359,456.55</b>   |
| Uses of funds                                   |   |                     |   |                     |   |                     |   |                     |
| Net fixed assets                                | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| Investments                                     | <b>422,428.32</b><br>7                                      | <b>357,748.21</b>   | <b>422,428.32</b>                                   | <b>357,748.21</b>   | <b>422,428.32</b><br>7                              | <b>357,748.21</b>   | <b>422,428.32</b><br>7                              | <b>357,748.21</b>   |
| Net current assets                              | <b>54,748</b>   | <b>46.37</b>        | <b>188,425</b>                                      | <b>159.58</b>       | <b>3,165,421</b>                                    | <b>2,680.75</b>     | <b>2,017,198</b>                                    | <b>1,708.34</b>     |
| Total miscellaneous expenditure not written off | -   | -                   | -   | -                   | -   | -                   | -   | -                   |
| <b>Total</b>                                    | <b>422,483.07</b><br>5                                      | <b>357,794.58</b>   | <b>422,616.75</b>                                   | <b>357,907.79</b>   | <b>425,593.74</b><br>8                              | <b>360,428.96</b>   | <b>424,445.52</b><br>5                              | <b>359,456.55</b>   |

| <u>Other Relevant Information</u>                         |   |               |   |               |   |               |   |               |
|---|---|---------------|---|---------------|---|---------------|---|---------------|
| Particulars   | As at and for the nine month period ended 30 September 2024 |               | As at and for financial year ended 31 December 2023 |               | As at and for financial year ended 31 December 2022 |               | As at and for financial year ended 31 December 2021 |               |
|   | <i>In USD</i>   | <i>In INR</i> | <i>In USD</i>                                       | <i>In INR</i> | <i>In USD</i>                                       | <i>In INR</i> | <i>In USD</i>                                       | <i>In INR</i> |
| Earnings per share  | 0.0215 *  | 1.82 *        | 0.0708  | 5.99          | 0.0493  | 4.18          | 0.0451  | 3.82          |
| Dividend %  | 2% *  |               | 8%  |               | 5%  |               | 4%  |               |
| Return on net worth (Profit After Tax /Total Net Worth) % | 2% *  |               | 7%  |               | 5%  |               | 4%  |               |

| Other Relevant Information   |   |        |   |        |   |        |   |        |
|--|---|--------|---|--------|---|--------|---|--------|
| Particulars  | As at and for the nine month period ended 30 September 2024 |        | As at and for financial year ended 31 December 2023 |        | As at and for financial year ended 31 December 2022 |        | As at and for financial year ended 31 December 2021 |        |
|  | In USD  | In INR | In USD  | In INR | In USD  | In INR | In USD  | In INR |
| Book value per share (INR per share) (Total Net Worth / Number of Equity Shares) | 1.00  | 84.69  | 1.00  | 84.72  | 1.01  | 85.32  | 1.00  | 85.09  |

\*Not annualised

### Contingent Liabilities of the Acquirer

The contingent liabilities and commitments of the Acquirer is **Nil** as on September 30 September 2024 and for the calendar years 2021, 2022, 2023.

*(Source: Certificate dated 11 December 2024 issued by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205))*

**Note:** Since the financial statements of the Acquirer are presented in United States Dollar (USD), the financial information has been converted to INR for the purpose of convenience. The conversion has been done at the rate USD 1 = INR 84.6885 as on 4 December 2024 (Source: RBI reference rate - <https://www.rbi.org.in>)

### B. Information about the Promoter

1. The Promoter *i.e.*, Shriram Credit Company Limited, is a public company limited by shares. The Promoter was incorporated under the Companies Act, 1956 on 10 April 1980 in the state of Tamil Nadu under the name Swastik Credit Company Limited. Subsequently, the name of the Company was changed to Shriram Credit Company Limited and a fresh certificate of incorporation dated 14 May 1993 was issued by the Registrar of Companies, Tamil Nadu. The registered office of the Promoter is located at Shriram House, No.4, Burkitt Road T Nagar, Chennai, Tamil Nadu-600017, and its corporate identification number is U65993TN1980PLC008215. The contact details of the Promoter are as follows: Tel. No.:044-49052500, Fax: 044-49052696. The website of the Promoter is [www.shriramcredit.in](http://www.shriramcredit.in).
2. The Promoter is a part of the Shriram Group of Chennai.
3. The Promoter is registered as a systemically important non-deposit taking non-banking finance company with Reserve Bank of India (**RBI**) under Section 45 IA of the Reserve Bank of India Act, 1934 and received its certificate of registration on 17 April 2002 bearing registration no: B-07.00709. The certificate is valid as on the date of this DPS. The Promoter is, *inter-alia*, engaged in the following activities: (a) to lend money on securities, movable or immovable properties; (b) to deal in negotiable instruments and securities; (c) to deal in shares, stocks,

bonds, securities of any government, local authority or a company; and (d) to act as a sponsor for mutual funds and to perform all relevant connected operations/ activities in this regard.

4. As on date, the Promoter holds 8,142,536 Equity Shares of the Target Company, constituting 62.55% of the Existing Share Capital of the Target Company. Accordingly, Promoter is the holding company of the Target Company. Other than the foregoing sentences and the Underlying Transaction, the Promoter has no relationship with or interest in the Target Company. Furthermore, the Promoter has not acquired any Equity Shares during the period between the date of the PA. i.e., 10 December 2024 and the date of the DLoF.
5. The Promoter is a subsidiary of SIHPL and is promoted and controlled by it. Further, Shriram Capital Private Limited holds 63.88% shareholding in SIHPL and is the ultimate holding company of the Promoter. The Acquirer holds 40.70% stake in Shriram Capital Private Limited.
6. As on the date of this DLOF, the authorised share capital of the Promoter is INR 520,000,000 consisting of: (a) 27,000,000 equity shares of face value of INR 10 each; and (b) 25,000,000 non-convertible cumulative redeemable preference shares of face value of INR 10 each.
7. The issued, subscribed, and paid up share capital of the Promoter is INR 450,631,290 consisting of: (a) 2,40,63,129 equity shares of face value of INR 10 each; and (b) 21,000,000 non-convertible cumulative redeemable preference shares of face value of INR 10 each.
8. The shareholding pattern of the Promoter as on the date of this DLoF is as follows:

| Sl. No.                      | Shareholders' category          | Number of shares <sup>(I)</sup> held | Percentage of shares held |
|------------------------------|---------------------------------|--------------------------------------|---------------------------|
| 1.                           | SIHPL<br>(promoter shareholder) | 24,061,859                           | 99.99%                    |
| 2.                           | FII/ Mutual-Funds/ FIs/Banks    | -                                    | -                         |
| 3.                           | Public (Individuals)            | 1,270                                | 0.01%                     |
| <b>Total Paid Up Capital</b> |                                 | <b>24,063,129</b>                    | <b>100.00%</b>            |

(I) Refers to the equity shares of face value of INR 10 each.

9. The board of directors of the Promoter comprises the following members:

| Name, Designation and DIN                                      | Date of appointment | Already a director in the Target Company (Yes/No) | Experience and qualification  |
|--|---------------------|---|---|
| Akhilesh Kumar Singh<br>Vice-Chairman & Non-executive Director | 5 November 2007     | No  | Mr. Akhilesh Kumar Singh is a B. Tech (IIT Kharagpur) and PGDM (IIM Bangalore). He has a rich professional career of over 28 years out of which last 24 years have been in Financial Services sector. He has been associated with |

| <b>Name, Designation and DIN</b>                            | <b>Date of appointment</b> | <b>Already a director in the Target Company</b><br><b>(Yes/No)</b> | <b>Experience and qualification</b>   |
|---|----------------------------|--|---|
| <b>DIN: 00421577</b>  |                            |  | Shriram Group since 1994, starting his career as President of Shriram City Union Finance Limited. During his association with the Group, he has handled responsibilities of Managing Directorship of Shriram City Union Limited, Shriram Insight Share Brokers Limited, Shriram Credit Company Limited and Shriram Asset Management Company Limited.  |
| M.R.Shashibhushan<br>Managing Director<br>DIN: 00492377     | 20 January 2021            | No   | Mr. M R Shashibhushan has over 25 years of experience in various areas of the Indian Capital & Commodity Markets, Investment Advisory Businesses spanning across corporates like Escorts Securities, Kotak Securities, Investsmart India Ltd. & for the past 14 years with Way2Wealth. Through his career he has made significant contributions in various functional areas of Capital & Commodity markets, Investment Advisory, wealth management & Distribution of Financial products. Presently, he is on the Board of different entities under SCCL universe.                         |
| Umesh G.Revankar<br>Non-executive Director<br>DIN: 00141189 | 12 August 2016.            | No   | Mr. Umesh Revankar holds a bachelor's degree in business management from Mangalore University and MBA in Finance. He had attended Advance Management Program at Harvard Business School. Mr. Revankar is a storehouse of knowledge on the transport industry and has grown by hard work combined with a high degree of professionalism. Mr. Revankar started his career with Shriram Group as an Executive Trainee in the year 1987. He has been with Shriram Group for last 30 years and possesses extensive experience in the financial service industry. During his stint with Shriram |

| <b>Name, Designation and DIN</b>                               | <b>Date of appointment</b> | <b>Already a director in the Target Company (Yes/No)</b> | <b>Experience and qualification</b>  |
|--|----------------------------|--|--|
|  |                            |  | <p>Group, he has shouldered various responsibilities and worked in several key roles of business operations. Mr. Revankar served as Managing Director of Shriram Transport Finance Co. Ltd. from 1 April 2012 to 29 April 2016 and served as its Chief Executive Officer until 29 April 2016. He served as Deputy Managing Director of Shriram Transport Finance Company Ltd. until 1 April 2012.</p> <p>Presently, he is the Executive Vice-Chairman of Shriram Finance Ltd.</p>  |
| Jasmit Singh Gujral<br>Non-executive Director<br>DIN: 00196707 | 5 February 2016.           | No   | <p>Mr. Jasmit Singh Gujral holds a Commerce Degree &amp; is a Postgraduate in Management from Aligarh Muslim University. He has done Executive Management Program from IIM Ahmedabad &amp; Advanced Management Program from Kellogg Business School, Chicago &amp; Indian School of Business, Hyderabad. Mr. Jasmit Singh Gujral is the Executive Vice Chairman of Shriram General Insurance Co. Ltd. and earlier served as its Managing Director &amp; CEO. He also is the Non-Executive Director of Shriram Capital Private Limited. In his previous assignments, he has been the CEO of Shriram Overseas Finance Company Ltd. and MD &amp; CEO of Shriram Transport Finance Co Ltd. He joined Shriram Group in 1988 &amp; has more than 35 years of experience in Financial Services, Insurance, Marketing and General Business Management.</p> |
| Subhasri Sriram<br>Non-executive Director<br>DIN: 01998599     | 7 August 2024              | Yes  | <p>Subhasri Sriram currently serves as MD &amp; CEO of SCPL. Her three-decade experience including 24 years in Shriram Group's Financial Services business that's spreading across, General Insurance, Wealth Management, Stock Broking, Asset Management, and Insurance Broking.</p>  |

| <b>Name, Designation and DIN</b>                      | <b>Date of appointment</b> | <b>Already a director in the Target Company</b><br><b>(Yes/No)</b> | <b>Experience and qualification</b>  |
|---|----------------------------|--|--|
|   |                            |  | Over the years, she has helped shoring up the financial muscle of the Group and developing strategies as well as business blueprints for some of Shriram Group's growing enterprises. Subhasri is a postgraduate in Commerce from Ethiraj College, Chennai and an Associate Member of the Institute of Cost Accountants of India (ICMAI). She also holds a Post Graduate Diploma in Systems Management from NIIT and Post Graduate Diploma in Cyber Laws from NALSAR, Hyderabad.   |
| Saleem K.Ali<br>Independent Director<br>DIN: 07296177 | 12 May 2017                | No   | Dr. Saleem K. Ali is a dynamic, energetic and result oriented leader with 36 years of varied experience. He is a retired IPS Officer who holds Ph.D degree in Civil Society Conflict Index and has MBA (Finance) and master's in chemistry. He was the Chairman and Managing Director of "Fourth Fource", an agency which provides background verification services across key business and industry that can help pre-empt and reduce wrong hires, fraud and criminal intent. He established this start-up Company in a short period of four months with offices in all state capitals of the country. He was the Director General of Police, Tripura from 2010 to 2011 and later on became Special Director/Additional Director of Central Bureau of Investigation in 2011. He was also an Advisor for futuristic development of Jamia Millia Islamia University and Honorary Director for Residential Coaching Academy for training minority and women students. Presently, he is on the Board of Shriram Fortune Solutions Ltd. and Way2Wealth Brokers Pvt. Ltd. |

| <b>Name, Designation and DIN</b>                         | <b>Date of appointment</b> | <b>Already a director in the Target Company</b> | <b>Experience and qualification</b>  |
|--|----------------------------|---|--|
|  |                            |   |  |
| Mohan Natarajan<br>Independent Director<br>DIN: 00084135 | 6 April 2015               | No  | He has been a part of Investment Banking Team of Fortune Financial & Equities Services Pvt Ltd (2013 - present) and Fortune Financial Services India Ltd (2011-13). He was associated with Edelweiss Group as Executive Vice-President (2007-2010) and was in charge of institutional stock brokerage and wealth management business. He founded Kotak Commodities Services Ltd., a commodity broking arm of Kotak Group and also established HDFC Securities, the online trading platform of HDFC Bank Ltd. He also founded IIT InvesTrust Ltd, the investment banking business of the Industrial Investment Trust group. He was a Non-Executive Director in Eagle Burmann Mascot Pvt. Ltd., a Japanese JV. He is now on the Board of Shriram Fortune Solutions Ltd. and Shriram Insight Share Brokers Ltd. as an Independent Director. |

10. The equity shares of the Promoter are not listed on any stock exchanges in India.
11. Other than Ms. Subhasri Sriram who is a director on the board of directors of the Promoter as well as the Target Company as set out in the table in paragraph 9 above, as on date, the directors and key managerial employees of the Promoter do not have any relationship or interest in the Target Company.
12. The directors and key managerial employees of the Promoter do not hold any Equity Shares or voting rights in the Target Company as of the date of the DLoF
13. Other than Ms. Subhasri Sriram who is a director on the board of directors of the Promoter as well as the Target Company as set out in the table in paragraph 9 above, there are no common directors on the board of the Target Company and the Promoter.
14. The Promoter 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 or under any regulations made under the SEBI Act.

15. Neither the Promoter nor its directors are categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, in terms of Regulation 2(1)(ze) of the SEBI (SAST) Regulations.
16. Neither the Promoter nor its directors are categorized/declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.
17. There are no show cause notices issued, orders passed, directions subsisting or proceedings pending against the Promoter under the SEBI Act and regulations made thereunder. Further, there are no regulatory proceedings initiated by any regulatory authority which are currently pending against the Promoter.
18. The summary of key financial information of Promoter as at and for the six month period ended 30 September 2024 extracted from the limited review financial statements, and audited financial information for each of the three financial years ended 31 March 2024, 31 March 2023, and 31 March 2022, extracted from the audited consolidated financial statements of Promoter for each of the respective financial years is provided in the table below:

*Amount in Lakhs unless otherwise specified*

| <b><u>Profit and Loss Statement</u></b>                      |   |   |   |   |
|--|---|---|---|---|
| <b>Particulars</b>   | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| Income from Operations                                       | 21,113.94   | 30,218.62   | 35,002.72   | 39,248.75   |
| Other Income   | 180.89  | 364.03  | 349.54  | 2,425.30  |
| <b>Total Income</b>  | <b>21,294.83</b>  | <b>30,582.65</b>  | <b>35,352.26</b>  | <b>41,674.05</b>  |
| Total Expenditure (Excluding Depreciation, Interest and Tax) | 18,356.19   | 26,116.67   | 34,455.85   | 39,964.36   |
| <b>Profit before Depreciation, Interest and Tax</b>          | <b>2,938.64</b>   | <b>4,465.98</b>   | <b>896.41</b>   | <b>1,709.69</b>   |
| Depreciation   | 569.19  | 1,074.11  | 1,007.65  | 978.59  |
| Interest   | 366.39  | 589.27  | 791.93  | 389.57  |
| <b>Profit/ (Loss) before Tax</b>                             | <b>2,003.06</b>   | <b>2,802.60</b>   | <b>(903.17)</b>   | <b>341.52</b>   |
| Provision for Tax  | 583.64  | 463.52  | 21.11   | 286.88  |
| <b>Profit/ (Loss) After Tax</b>                              | <b>1,419.42</b>   | <b>2,339.08</b>   | <b>(924.28)</b>   | <b>54.64</b>  |

| <b>Profit and Loss Statement</b>                                    |   |   |   |   |
|---|---|---|---|---|
| <b>Particulars</b>  | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| <b>Profit/ (Loss) After Tax Attributable to Equity Shareholders</b> | <b>1,646.33</b>   | <b>2,588.18</b>   | <b>(799.28)</b>   | <b>110.64</b>   |

| <b>Balance Sheet</b>   |   |   |   |   |
|--|---|---|---|---|
| <b>Particulars</b>   | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| <b>Sources of Funds</b>                                      |   |   |   |   |
| Paid up Share Capital  | 2,406.31  | 2,406.31  | 2,406.31  | 2,406.31  |
| Reserves and Surplus (excluding revaluation reserves)        | 32,847.17   | 31,204.24   | 27,376.75   | 27,571.11   |
| <b>Net Worth</b>   | <b>35253.48</b>   | <b>33,610.55</b>  | <b>29,783.06</b>  | <b>29,977.42</b>  |
| Secured Loans  | 6,238.32  | 5,571.73  | 668.32  | 901.03  |
| Unsecured Loans  | 2,100.00  | 2,400.00  | 2,400.00  | 2,400.00  |
| Non-Controlling Interest (NCI)                               | 2,779.94  | 3,005.34  | 2,549.48  | 63.87   |
| Financial Liabilities  | 33,480.85   | 27,416.46   | 17,819.20   | 23,666.96   |
| Non Financial Liabilities                                    | 3,241.46  | 2,957.39  | 2,794.41  | 5,835.05  |
| Revaluation Reserve  | -   | -   | -   | -   |
| <b>Total</b>   | <b>83,094.05</b>  | <b>74,961.47</b>  | <b>56,014.47</b>  | <b>62,844.33</b>  |
|  |   |   |   |   |
| <b>Uses of Funds</b>   |   |   |   |   |
| Net Fixed Assets/Property Plant & Equipment (Including CWIP) | 2,478.00  | 2,453.66  | 2,356.24  | 2,532.37  |
| Investment Property  | 10.36   | 10.86   | 11.81   | -   |
| Right of Use Assets  | 2,234.24  | 2,253.44  | 1,924.44  | 1,950.92  |

| Balance Sheet   |  |  |  |  |
|---|--|--|--|--|
| Particulars   | As at and for the six months period ended September 30, 2024 | As at and for financial year ended March 31 2024 | As at and for financial year ended March 31 2023 | As at and for financial year ended March 31,2022 |
| Other Intangible Assets & Intangible Assets under development | 677.24   | 524.77   | 215.24   | 138.50   |
| Investments   | 8,777.63   | 8,860.29   | 12,613.10  | 11,961.35  |
| Goodwill (On Consolidation)                                   | -  | -  | -  | -  |
| /Non Financial Assets   | 6,359.93   | 7,201.34   | 4,748.49   | 631.31   |
| /Financial Assets   | 62,556.65  | 53,657.11  | 34,145.15  | 45,629.88  |
| Total miscellaneous expenditure not written off               | -  | -  | -  | -  |
| <b>Total</b>  | <b>83,094.05</b>   | <b>74,961.47</b>                                 | <b>56,014.47</b>                                 | <b>62,844.33</b>                                 |

| Other relevant information  | As at and for the six months period ended September 30, 2024 | As at and for financial year ended March 31 2024 | As at and for financial year ended March 31 2023 | As at and for financial year ended March 31,2022 |
|---|--|--|--|--|
| Earnings per share (INR per ₹)  |  |  |  |  |
| <i>Basic</i>  | 6.84 *   | 10.76  | (3.32)   | 0.46   |
| <i>Diluted</i>  | 6.84 *   | 10.76  | (3.32)   | 0.46   |
| Equity Dividend %   | NIL  | NIL  | NIL  | NIL  |
| Return on net worth (Profit/ Loss After Tax /Total Net Worth)             | 4.67% *  | 7.70%  | (2.68%)  | 0.37%  |
| Book value per share (INR per share) (Total Net Worth / Number of Shares) | 146.5  | 139.68   | 123.77   | 124.58   |

\*Not annualised

#### Contingent Liabilities of Promoter as on 31 March 2024

The contingent liabilities and commitments of the Promoter are set out below:

| <i>Amount in INR Lakhs unless otherwise specified</i> |   |   |   |   |
|---|---|---|---|---|
| <b>Particulars</b>                                    | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| Shriram Credit Company Ltd                            | 172.68  | 172.68  | 120.65  | 324.98  |
| Shriram Fortune Solutions Ltd                         | 346.58  | 346.58  | -   | 66.21   |
| Shriram Financial Product Solution Pvt. Ltd           | -   | -   | -   | 37.56   |
| Shriram Insight Share Brokers Ltd                     | 934.76  | 934.76  | 1479.90   | 928.50  |
| Shriram Asset Management Co Ltd                       | 2.79  | 2.85  | 2.79  | 1.51  |
| Way 2 Wealth Securities Pvt. Ltd                      | -   | -   | 3,775.15  | 3,251.36  |
| Way 2 Wealth Brokers Pvt. Ltd                         | 4,280.58  | 3,853.70  | -   | -   |

*(Source: Certificate dated 11 December 2024 issued by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205))*

#### **IV. BACKGROUND OF THE TARGET COMPANY**

1. The Target Company is a public listed company limited by shares and incorporated on 27 July 1994 under the Companies Act, 1956. There has been no change in the name of the Target Company in the last three years. The registered office of the Target Company is located at 217, 2nd Floor, Swastik Chambers, near Junction of S.T. & C.S.T. Road, Chembur, Mumbai 400 071, and its corporate identity number is L65991MH1994PLC079874. Its contact details are as follows: telephone number (022) 27579301 and fax number: (022) 27566634. The website of the Target Company is [www.shriramamc.in](http://www.shriramamc.in).
2. The Target Company is primarily engaged in the business of promoting, establishing and acting as managers, administrators, attorneys, representatives of mutual funds pursuant to the SEBI approval dated 21 November 1994 allowing the Target Company to act as an asset management company vide registration no. MF/017/94/4 under the SEBI (Mutual Funds) Regulations, 1996, and providing portfolio management services as the registered portfolio manager (having registration no. INP000008765) under the SEBI (Portfolio Managers) Regulations, 2020.
3. The Equity Shares are listed on BSE (Scrip Code: 531359). The ISIN of the Equity Shares of the Target Company is INE777G01012.

4. The Equity Shares are not frequently traded on BSE in accordance with the explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations as on the date of this DLoF.
5. As on the date, the authorized capital of the Target Company is INR 1,270,000,000 divided into: (a) 23,000,000 Equity Shares of face value of INR 10 each; (b) 5,400,000 redeemable non-convertible preference Shares preference shares of face value of INR 100; and (c) 500,000,000 compulsorily convertible preference shares of face value of INR 1 each.
6. As on the date of the DLoF, the issued, subscribed and paid-up share capital of the Target Company is INR 130,168,750 divided into 13,016,875 Equity Shares of face value of INR 10 each.
7. As on the date, there is only one class of Equity Shares and there are no: (i) partly paid-up equity shares, (ii) equity shares carrying differential voting rights; and/ or (iii) outstanding convertible securities or warrants issued by the Target Company which are convertible into Equity Shares, and there are no shares against which depository receipts have been issued by the Target Company.
8. The Existing Share Capital of the Target Company is computed as below:

| Particulars                       | Issued and paid-up shares | % of Existing Share Capital |
|-----------------------------------|---------------------------|-----------------------------|
| Fully paid-up Equity Shares       | 13,016,875                | 100%                        |
| Partly paid-up Equity Shares      | Nil                       | Nil                         |
| Total paid-up Equity Shares       | 13,016,875                | 100%                        |
| <b>Total Voting Share Capital</b> | <b>13,016,875</b>         | <b>100%</b>                 |

9. The entire issued, subscribed and paid-up equity share capital of the Target Company is listed on the Stock Exchange and has not been suspended from trading by the Stock Exchange. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
10. During the last 3 years, the Target Company has not undertaken any activities with respect to a scheme of amalgamation, restructuring, merger/demerger and spin off.
11. The Target Company is in compliance with the applicable provisions of the listing agreement as well as the SEBI (LODR) Regulations, and no penal/punitive action has been taken against the Target Company by the Stock Exchange on account of non-compliance with the listing agreement.
12. The composition of the board of directors of the Target Company is as follows. Other than Ms. Subhasri Sriram who is a director on the board of directors of the Promoter as well as the Target Company, no director on the board of directors of the Target Company is a representative of the PAC:

| Name                               | Director Identification Number | Date of initial appointment | Designation                                       |
|------------------------------------|--------------------------------|-----------------------------|---|
| Mr. Ramamurthy Vaidyanathan        | 00221577                       | 2 February 2022             | Non-Executive and Independent Director-Chairman   |
| Mr. Gaurav Makarand Patankar       | 02640421                       | 28 June 2022                | Non-Executive and Non Independent-Vice Chairman   |
| Mr. Kartik Jain                    | 09800492                       | 9 January 2023              | Executive and Non Independent - Managing Director |
| Mr. Dhruv Lalit Mehta              | 02083226                       | 14 February 2012            | Non-Executive and Non Independent                 |
| Mrs. Subhasri Sriram               | 01998599                       | 25 October 2021             | Non-Executive and Non Independent                 |
| Mr. Marc Scott Irizarry            | 09578499                       | 28 June 2022                | Non-Executive and Independent Director            |
| Mr. Prem Haroomal Samtani          | 09782200                       | 9 January 2023              | Non-Executive and Independent Director            |
| Mr. Koodathumuriyil Verghese Eapen | 01613015                       | 6 August 2024               | Non-Executive and Independent Director            |
| Mrs. Uma Shanmukhi Sistla          | 08165959                       | 6 August 2024               | Non-Executive and Independent Director            |

13. Other than Ms. Subhasri Sriram who is a director on the board of directors of the Promoter as well as the Target Company as set out in paragraph 13 of Part B (*Information about the Promoter*) of Section III (*Background of the Acquirer and the Promoter*), there are no common directors on the board of directors of the Target Company and the Acquirer's and Promoter's board of directors.
14. The summary of key financial information of the Target Company as at and for the six month period ended 30 September 2024 extracted from the limited review financial statements, and audited financial information for each of the three financial years ended 31 March 2024, 31 March 2023, and 31 March 2022, extracted from the audited standalone financial statements of the Target Company for each of the respective financial years is provided in the table below:

Amount in INR Lakhs unless otherwise specified

| <b>Profit and Loss Statement</b>                             |   |   |   |   |
|--|---|---|---|---|
| <b>Particulars</b>   | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| Income from Operations                                       | 416.60  | 794.12  | 573.11  | 473.27  |
| Other Income   | 2.88  | 26.64   | 10.50   | 16.01   |
| <b>Total Income</b>  | <b>419.48</b>   | <b>820.76</b>   | <b>583.61</b>   | <b>489.28</b>   |
| Total Expenditure (Excluding Depreciation, Interest and Tax) | 981.72  | 1,289.68  | 838.69  | 528.04  |
| <b>Profit/ (Loss) before Depreciation, Interest and Tax</b>  | <b>(562.24)</b>   | <b>(468.92)</b>   | <b>(255.08)</b>   | <b>(38.76)</b>  |
| Depreciation   | 38.56   | 87.64   | 35.38   | 23.94   |
| Interest   | 2.09  | 124.12  | 157.02  | 4.55  |
| <b>Profit/ (Loss) before Tax</b>                             | <b>(602.89)</b>   | <b>(680.68)</b>   | <b>(447.48)</b>   | <b>(67.25)</b>  |
| Provision for Tax  | 12.61   | 5.24  | (44.40)   | 88.35   |
| <b>Profit/ (Loss) After Tax</b>                              | <b>(615.50)</b>   | <b>(685.92)</b>   | <b>(403.08)</b>   | <b>(155.60)</b>   |

Amount in INR Lakhs unless otherwise specified

| <b>Balance Sheet</b>                  |   |   |   |   |
|---------------------------------------|---|---|---|---|
| <b>Particulars</b>                    | <b>As at and for the six months period ended September 30, 2024</b> | <b>As at and for financial year ended March 31 2024</b> | <b>As at and for financial year ended March 31 2023</b> | <b>As at and for financial year ended March 31,2022</b> |
| <b>Sources of Funds</b>               |   |   |   |   |
| Paid up Equity Share Capital          | 1,301.69  | 1,301.69  | 644.32  | 600.00  |
| Paid Up Preference Share Capital      | -   | -   | 400.00  | 5,400.00  |
| Instruments Entirely Equity in Nature | -   | -   | 6,880.00  | -   |

| Balance Sheet   |  |  |  |  |
|---|--|--|--|--|
| Particulars   | As at and for the six months period ended September 30, 2024 | As at and for financial year ended March 31 2024 | As at and for financial year ended March 31 2023 | As at and for financial year ended March 31,2022 |
| Reserves and Surplus (excluding revaluation reserves) | 5,960.49   | 6,454.60   | (177.35)   | (617.67)   |
| <b>Net Worth</b>                                      | <b>7,262.17</b>  | <b>7,756.29</b>                                  | <b>7,746.97</b>                                  | <b>5,382.33</b>                                  |
| Financial Liability                                   | 184.74   | 160.00   | 302.97   | 79.72  |
| Non-Financial Liability                               | 138.37   | 95.47  | 69.84  | 131.59   |
| <b>Total</b>  | <b>7,585.29</b>  | <b>8,011.76</b>                                  | <b>8,119.78</b>                                  | <b>5,593.64</b>                                  |
| <b><u>Uses of Funds</u></b>                           |  |  |  |  |
| Non -Financial Assets                                 | 320.32   | 307.48   | 269.14   | 137.32   |
| Investments   | 6,501.61   | 7,052.90   | 6,597.64   | 5,057.07   |
| Other Financial Assets                                | 763.36   | 651.38   | 1,253.00   | 399.25   |
| <b>Total</b>  | <b>7,585.29</b>  | <b>8,011.76</b>                                  | <b>8,119.78</b>                                  | <b>5,593.64</b>                                  |

| Other relevant information  | As at and for the six months period ended September 30, 2024 | As at and for financial year ended March 31 2024 | As at and for financial year ended March 31 2023 | As at and for financial year ended March 31,2022 |
|---|--|--|--|--|
| Earnings per share (INR per ₹)  |  |  |  |  |
| <i>Basic</i>  | (4.73) *   | (7.35)   | (6.72)   | (2.59)   |
| <i>Diluted</i>  | (4.73) *   | (7.35)   | (6.72)   | (2.59)   |
| Dividend %  | NIL  | NIL  | NIL  | NIL  |
| Return on net worth (Profit/ (Loss) After Tax /Total Net Worth)           | (8.48%) *  | (8.84%)  | (5.20%)  | (2.89%)  |
| Book value per share (INR per share) (Total Net Worth / Number of Shares) | 55.79  | 59.59  | 120.23   | 89.71  |

\*Not annualised

#### Contingent Liabilities

Details of the contingent liabilities:

| Particulars  |      | Amount in INR Lakhs unless otherwise specified               |  |  |  |
|--|------|--|--|--|--|
|  |      | As at and for the six months period ended September 30, 2024 | As at and for financial year ended March 31 2024 | As at and for financial year ended March 31 2023 | As at and for financial year ended March 31,2022 |
| Penalty order U/s 271 (1) dt. 29/03/2022 for AY 2013-14 and Company has filed an Appeal before CIT Appeal against the penalty order. | 1.32 | 1.32   | 1.32   | 1.32   |  |
| Demand for AY 2017-18 and Company has filed an Appeal before CIT Appeal against the demand order                                     | 0.17 | 0.17   | 0.17   | 0.17   |  |
| Demand for AY 2018-19 and Company has filed an Appeal before CIT Appeal against the demand order.                                    | 0.68 | 0.68   | 0.68   | 0.68   |  |
| Demand in respect of Income Tax , relating to Tax Deducted at Source   | 0.62 | 0.62   | 0.62   | 0.62   |  |

(Source: Certificate dated 11 December 2024 issued by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205))

15. Pre and post-offer shareholding pattern of the Target Company computed as on 30 September 2024 (based on the latest shareholding pattern filed by the Target Company with the Stock Exchange) is as follows:

| S. No. | Shareholder Category                | Shareholding & Voting rights prior to Term Sheet and Offer |                  | Shares or voting rights agreed to be acquired/ (sold) through the Term Sheet |                  | Shares/voting rights to be acquired in the Open Offer (assuming full acceptance) |                       | Shareholding/voting rights after the acquisition under the Term Sheet and Offer |                                      |
|--------|-------------------------------------|--|------------------|--|------------------|--|-----------------------|---|--------------------------------------|
|        |                                     | (A)  |                  | (B)  |                  | (C)  |                       | (A+B+C)   |                                      |
|        |                                     | No.  | % <sup>(2)</sup> | No.  | % <sup>(2)</sup> | No.  | % <sup>(2)</sup>      | No.   | % <sup>(2)</sup>                     |
| (1)    | <b>Promoter Group<sup>(1)</sup></b> |  |                  |  |                  |  |                       |   |                                      |
| (a)    | Parties to the agreement            |  |                  |  |                  |  |                       |   |                                      |
|        | Promoter                            | 8,142,536  | 62.55%           | NIL  | NIL              | 4,395,499 <sup>(3)</sup>   | 26.00% <sup>(3)</sup> | 12,538,035 <sup>(4)</sup>   | 74.17% <sup>(3)</sup> <sup>(4)</sup> |

| S. No. | Shareholder Category   | Shareholding & Voting rights prior to Term Sheet and Offer |                  | Shares or voting rights agreed to be acquired/ (sold) through the Term Sheet |                  | Shares/voting rights to be acquired in the Open Offer (assuming full acceptance) |                  | Shareholding/voting rights after the acquisition under the Term Sheet and Offer |                                |
|--------|--|--|------------------|--|------------------|--|------------------|---|--------------------------------|
|        |  | (A)  |                  | (B)  |                  | (C)  |                  | (A+B+C)   |                                |
|        |  | No.  | % <sup>(2)</sup> | No.  | % <sup>(2)</sup> | No.  | % <sup>(2)</sup> | No.   | % <sup>(2)</sup>               |
| (b)    | <b>Promoter/ Promoter Group other than (a) above</b>                                   | NA   | NA               | NA   | NA               | NA   | NA               | NA  | NA                             |
|        | <b>Total (1)= (a)+(b)</b>  | <b>8,142,536</b>   | <b>62.55%</b>    | <b>NIL</b>   | <b>NIL</b>       | <b>4,395,499</b>   | <b>26.00%</b>    | <b>12,538,035<sup>(3)(4)</sup></b>  | <b>74.17%<sup>(3)(4)</sup></b> |
| (2)    | <b>Acquirer and Promoter</b>   |  |                  |  |                  |  |                  |   |                                |
| (a)    | Acquirer   | NIL  | NIL              | 3,888,889  | 23.00%           | NIL  | NIL              | 3,888,889   | 23.00%                         |
| (b)    | Promoter   | NA   | NA               | NA   | NA               | NA   | NA               | NA  | NA                             |
|        | <b>Total (2)= (a)+(b)</b>  | <b>NIL</b>   | <b>NIL</b>       | <b>3,888,889</b>   | <b>23.00%</b>    | <b>NA</b>  | <b>NA</b>        | <b>3,888,889<sup>(4)</sup></b>  | <b>23.00%<sup>(4)</sup></b>    |
| (3)    | <b>Parties to the agreement other than those mentioned (1) and (2) above</b>           | NA   | NA               | NA   | NA               | NA   | NA               | NA  | NA                             |
| (4)    | <b>Public (other than parties to agreement, Acquirer &amp; Promoter)<sup>(5)</sup></b> |  |                  |  |                  |  |                  |   |                                |
| (a)    | FIs/ MFs/ FPIs/ Banks/ Insurance Companies/ AIFs                                       | NIL  | NIL              | NIL  | NIL              | NIL  | NIL              | NIL   | NIL                            |
| (b)    | Others   | 4,874,339  | 37.45%           | NIL  | NIL              | (4,395,499)  | (26.00%)         | 478,840   | 2.83%                          |
|        | <b>Total (4)= (a)+(b)</b>  | <b>4,874,339</b>   | <b>37.45%</b>    | <b>NA</b>  | <b>NA</b>        | <b>(4,395,499)</b>   | <b>(26.00%)</b>  | <b>478,840</b>  | <b>2.83%</b>                   |
|        | <b>Grand Total (1)+(2)+(3)+(4)</b>   | <b>13,016,875</b>  | <b>100%</b>      | <b>3,888,889</b>   | <b>23.00%</b>    | <b>NIL</b>   | <b>NIL</b>       | <b>16,905,764</b>   | <b>100%</b>                    |

Notes

- 1) Pursuant to the consummation of the Underlying Transaction and the Open Offer, the Acquirer will acquire joint Control with the Promoter, as persons acting in concert, over the Target Company, and the Acquirer will become the promoter of the Target Company and the Promoter will continue to be the other promoter of the Target Company.
- 2) Computed as a percentage of the Voting Share Capital.

- 3) *Computed assuming that the entire 26.00% of the Voting Share Capital is tendered and acquired in the Offer.*
  - 4) *As per the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company, being a listed company, is required to maintain at least 25.00% of its total shareholding as public shareholding (as determined in accordance with the SCRR) on a continuous basis for listing. If, as a result of the acquisition of Equity Shares in this Offer and pursuant to the consummation of the Underlying Transaction, the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Promoter will ensure the Target Company's compliance with the minimum public shareholding requirement*
  - 5) *The number of shareholders of the Target Company in the "public category" as on 30 September 2024 is 2,222.*
16. The Acquirer and the Promoter have not acquired any Equity Shares after the date of the PA till the date of this DLoF.

## **V. OFFER PRICE AND FINANCIAL ARRANGEMENTS**

### **A. Justification of Offer Price**

1. This Open Offer is a mandatory offer made by the Acquirer and the Promoter, as persons acting in concert, in compliance with Regulations 3 and 4 of the SEBI (SAST) Regulations pursuant to the board resolution approving the Preferential Issue and the Term Sheet in relation to the Underlying Transaction. Pursuant to the Underlying Transaction: (a) the Acquirer and the Promoter, as persons acting in concert, currently holding shares and voting rights in excess of 25.00% in the Target Company, will be acquiring shares and voting rights in excess of 5.00% of the total voting rights in the Target Company in the current financial year ending 31 March 2025; and (b) the Acquirer will be acquiring joint control with the Promoter, as persons in concert, over the Target Company, on mutually agreed terms.
2. The Equity Shares are listed on the BSE.
3. The traded turnover in the Equity Shares of the Target Company on BSE during the period between 1 December 2023 to 30 November 2024 ("Twelve Month Period"), viz. twelve calendar months preceding the calendar month in which the PA is made is given below:

| <b>Stock Exchange</b> | <b>Total no. of Equity Shares traded during the Twelve Month Period ("A")</b> | <b>Weighted average number of issued Equity Shares** during the Twelve Month Period ("B")</b> | <b>Traded turnover as % of total number of Equity Shares of the Target Company (A/B)</b> |
|-----------------------|---|---|--|
| BSE                   | 822,520   | 13,016,875  | 6.32%  |

*\*\* The equity share capital of the Target Company has not changed and remained identical during the Twelve Month Period.*

*(Source: BSE website and as certified pursuant to the certificate dated 10 December 2024 issued by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No.: 011205))*

4. Based on the above information, the Equity Shares are not frequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
5. The Offer Price of INR 270 per Equity Share is determined in accordance with Regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

| Sr. No. | Particulars   | Price (INR per Equity Share) |
|---------|---|------------------------------|
| A.      | The highest negotiated price per Equity Share for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer i.e., the price per Equity Share under the Term Sheet;   | 270                          |
| B.      | The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or the Promoter, during the fifty-two weeks immediately preceding the date of the PA;  | NA**                         |
| C.      | The highest price paid or payable for any acquisition by the Acquirer or the Promoter during the twenty-six weeks immediately preceding the date of the PA;   | NA**                         |
| D.      | The volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the PA as traded on the BSE, being the stock exchange where the maximum volume of trading in the Equity Shares was recorded during such period, and such shares being frequently traded; | NA <sup>(1)</sup>            |
| E.      | Where the equity shares are not frequently traded, the price determined by the and the Manager to 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; and                         | 233.22                       |
| F.      | The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable.  | NA <sup>(2)</sup>            |

*Notes:*

- (1) *Not applicable as the Equity Shares of the Target Company are infrequently traded.*
- (2) *Not applicable since the acquisition is not an indirect acquisition.*

*\*\* Neither the Acquirer nor the Promoter have acquired Equity Shares of the Target Company during the fifty-two weeks immediately preceding the date of the PA*

*Further, pursuant to Regulation 8(17) of the SEBI (SAST) Regulations, there has been no confirmation for any reported event or information provided by the Target Company due to any material price movement as per the framework specified under sub-regulation (11) of Regulation 30 of the SEBI (LODR) Regulations and thus no exclusion or adjustment has been made for determination of offer price under the SEBI (SAST) Regulations.*

**(Source:** Certificate dated 10 December 2024 issued by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No.: 011205))

6. In view of the parameters considered and presented in the table in paragraph 5 above, the Offer Price of INR 270 per Offer Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of the above parameters, i.e., INR 270 per Equity Share, and has been certified by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205) *vide* certificate dated 10 December 2024. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
7. Based on the confirmation provided by Target Company, there have been no corporate actions by the Target Company warranting adjustment of the relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations.
8. The Offer Price may be adjusted by the PAC, in consultation with the Manager, in the event of any corporate action(s) such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers, reduction of capital, etc., where the record date for effecting such corporate action(s) falls prior to the third Working Day before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
9. There has been no revision in the Offer Price or size of the Offer. In case of any revision in the Offer Price or size of the Offer, the PAC shall comply with applicable provisions of Regulation 18 of the SEBI (SAST) Regulations and any other provisions of the SEBI (SAST) Regulations which are required to be fulfilled for the said revision in the Offer Price or size of the Open Offer.
10. In terms of Regulations 18(4) and 18(5) of the SEBI (SAST) Regulations, the PAC is permitted to revise the Offer Price or the size of the Offer at any time prior to commencement of the last one Working Day before the commencement of the Tendering Period. In the event of such revision, the Promoter shall: (i) make a corresponding increase to the escrow amount, (ii) make a public announcement in the same newspapers in which the DPS has been published, and (iii) simultaneously notify to the BSE, SEBI and the Target Company at its registered office of such revision.
11. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager, subject to acquiring a maximum of 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital, 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. The minimum marketable lot for the Equity Shares for the purpose of this Offer shall be one Equity Share.
12. In the event, the Acquirer and/or the Promoter has acquired or agreed to acquire, whether by themselves or through the persons acting in concert with them, any shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer and/or the Promoter shall not make any such

acquisition (as referred in the foregoing sentence) after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

13. If the Acquirer or the Promoter acquires Equity Shares during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer/ Promoter shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Open Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the stock exchanges, not being a negotiated acquisition of shares of the Target Company in any form.

**B. Financial Arrangements**

1. The total consideration for the Offer Size at the Offer Price, assuming full acceptance of the Offer, is INR 1,186,784,730 i.e., the **Maximum Open Offer Consideration**.
2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, the Promoter and the Manager have entered into an escrow agreement with Axis Bank Limited (acting through its office at 82, Dr. Radhakrishnan Salai, Mylapore, Chennai, Tamil Nadu- 600004) (“Escrow Bank”) on 11 December 2024 (“Escrow Agreement”). Pursuant to the Escrow Agreement, the Promoter has opened an escrow account under the name and title of “SHRIRAM CREDIT COMPANY LIMITED OPEN OFFER ESCROW A/C” (“Escrow Account”) with the Escrow Bank and has made cash deposit in the Escrow Account of INR 300,000,000 (“Escrow Amount”), being higher than 25.00% of the Maximum Open Offer Consideration. The amount deposited in the Escrow Account is in compliance with the requirements of Regulation 17 of the SEBI (SAST) Regulations, which requires the deposit, in an escrow account, of an amount equal to 25.00% of the maximum consideration payable under an open offer where the maximum consideration payable is less than INR 5,000,000,000. The receipt of cash deposit of Escrow Amount in the Escrow Account has been confirmed by the Escrow Bank by way of a confirmation letter dated 11 December 2024.
3. The PAC has authorized the Manager to operate and realize the value of the Escrow Account as per the provisions of the SEBI (SAST) Regulations.
4. The Promoter has confirmed that it has adequate financial resources to meet the obligations under the Open Offer and have made firm financial arrangements for fulfilling the payment obligations under this Open Offer in terms of Regulation 25(1) of the SEBI (SAST) Regulations and the Promoter is able to implement this Open Offer. The entire open offer obligation will be met by the Promoter. The Promoter will meet the funding requirement for the purpose of the payment obligations under the Open Offer, through internal accruals/ resources and borrowing from Shriram Capital Private Limited (the ultimate holding company of the Promoter). The availability of sufficient means and capability for the purpose of fulfilling the obligations under the Open Offer and that firm financial resources/arrangements through verifiable means are in place to fulfil Promoter’s obligations under the Open Offer has also been certified by CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205) *vide* certificate dated 11 December 2024.

5. Based on the above, the Manager is satisfied about the following: (a) the adequacy of resources to meet the financial requirements of the Open Offer and the ability of the Promoter to implement the Open Offer in accordance with the SEBI (SAST) Regulations, and (ii) that firm arrangements for payments through verifiable means are in place to fulfill the Open Offer obligations.
6. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Promoter in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

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

### **A. Operational Terms and Conditions**

1. The Offer is being made by the Acquirer and the Promoter, as persons acting in concert, to (i) all the Public Shareholders, whose names appear in 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; and (ii) those persons (other than (a) the Acquirer and the Promoter; and (b) parties to the Term Sheet; and (c) the persons deemed to be acting in concert with the parties to the Term Sheet, who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer.
2. The Identified Date for this Open Offer as per the indicative schedule of key activities is 8 January 2025. In terms of the indicative schedule of key activities, the Tendering Period for the Open Offer is expected to commence on 22 January 2025 and close on 4 February 2025 (both days inclusive).
3. The Offer is not conditional on any minimum level of acceptance in terms of Regulation 19(1) of SEBI (SAST) Regulations.
4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
5. 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 Promoter has up to ten (10) Working Days from the closure of the Tendering Period to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Offer.
6. The Public Shareholders who tender their Equity Shares in this Offer shall ensure that they have good and valid title on the Offer Shares. The Public Shareholders who tender their Equity Shares in this 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 the economic, voting and beneficial rights attached thereto, including all right rights to dividends, bonuses and right offers declared thereof, and the tendering Public Shareholders shall have obtained all necessary consents required by them to tender the Offer Shares.
7. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation,

the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Promoter reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any previous approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Promoter reserves the right to reject such Offer Shares. Public Shareholders classified as OCB, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and 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. 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. The Target Company does not have any Equity Shares which are currently locked-in.
9. 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.
10. The instructions, authorisations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute an integral part of the terms and conditions of this Offer. The Public Shareholders can write to the Registrar to the Offer / Manager to the Offer requesting for the Letter of Offer along with Form of Acceptance-cum-Acknowledgement. Alternatively, the Letter of Offer along with the Form of Acceptance cum Acknowledgement is also expected to be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.
11. Public Shareholders to whom the Offer is being made are free to tender this shareholding in the Target Company in whole or in part while accepting the Offer. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected.
12. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation, are liable to be rejected unless directions/orders are passed regarding the free transferability of such Equity Shares tendered under the Offer prior to the date of closure of the Tendering Period.
13. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Promoter and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

14. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one).
15. There has been no revision in the Offer Price or Offer Size as of the date of this DLoF. The PAC reserves the 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 Promoter shall: (a) make a corresponding increase to the escrow amount, (b) make a public announcement in the same newspapers in which the DPS was published, and (c) simultaneously notify the Stock Exchange, SEBI and the Target Company at its registered office. In case of any revision of the Offer Price, Promoter 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 LOF.
16. All the Equity Shares validly tendered under this Offer to the extent of the Offer Size will be acquired by the Promoter in accordance with the terms and conditions set forth in the Letter of Offer.
17. The Acquirer, Promoter and Manager to the Offer shall not be (nor shall any persons deemed to be acting in concert with the Acquirer be) responsible in any manner for any loss of documents during transit and the Public Shareholders are advised to adequately safeguard their interests in this regard.
18. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Promoter and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

**B. Eligibility for accepting the Offer**

1. The Letter of Offer (along with the Form of Acceptance-cum-Acknowledgement) shall be sent to the Public Shareholders holding Equity Shares whose names appear in 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 on the Identified Date. The Identified Date for this Offer as per the tentative schedule of activities is 8 January 2025. However, All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer. Accidental omission to dispatch the LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.
2. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations, as amended 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 dematerialised 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 are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations.

3. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period, are eligible to participate in this Offer.
4. Any person who has acquired Equity Shares but whose name does not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th Working Day prior to the commencement of Tendering Period, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Open Offer. Accidental omission to send the Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Offer in any way.
5. The Public Announcement, the DPS, this Draft Letter of Offer, the Letter of Offer and the Form of Acceptance cum-Acknowledgment will also be available on SEBI's website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the Letter of Offer, the Public Shareholders, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgment from SEBI's website.
6. Further, in case the documents/forms submitted are incomplete and/or if they have any defect or modifications, the acceptance is liable to be rejected. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s).
7. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer and/or the Promoter for the purpose of this Offer in terms of the SEBI (SAST) Regulations.
8. The acceptance of Equity Shares tendered in this Offer will be made by the Promoter in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, subject to acquisition a maximum of 4,395,499 Equity Shares, representing 26.00% of the Voting Share Capital, in consultation with the Manager to the Offer.
9. For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

#### **C. Statutory and other approvals**

1. The consummation of the Underlying Transaction and Open Offer is subject to the receipt of the statutory and other approvals as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*). To the best of the knowledge of the PAC, other than as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), there are no other statutory or other approvals required to complete the Underlying Transaction and the Open Offer as on the date of this DLoF. If, however, any other statutory or other approval becomes applicable prior to completion of such acquisitions, the Open Offer would also be subject to such other statutory or other approval(s) being obtained.
2. The Target Company is in the process of making the relevant applications for the requisite approvals as set out in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*).

3. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the PAC, the approvals specified in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*) or those which become applicable prior to completion of the Open Offer are not received or refused by the relevant governmental authorities, then the PAC shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the PAC (through the Manager) shall, within 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. Such public announcement for the withdrawal will be made in the same newspapers in which the Detailed Public Statement has been published and will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
4. In case of delay in receipt/non-receipt of any statutory approvals or any other approval as referred in Part C (*Statutory and Other Approvals*) of Section VI (*Terms and Conditions of the Offer*), SEBI may, if satisfied, that non receipt or delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the PAC 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 Promoter to the Public Shareholders at such rate, as may be prescribed by SEBI from time to time, in accordance with Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations. Where any statutory approval extends to some but not all of the Public Shareholders, the Promoter shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
5. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Promoter reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any previous approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Promoter reserves the right to reject such Offer Shares. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and 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. 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 a repatriable or on non-repatriable basis.
6. Subject to the provisions of the SEBI (SAST) Regulations (including Regulation 18(11) of SEBI (SAST) Regulations) and subject to the receipt of the statutory and other approvals, if any, the PAC shall complete all procedures relating to the Open Offer, including payment of consideration by the Promoter within 10 (ten) Working Days from the closure of the Tendering

Period to those shareholders whose share certificates or other documents are found valid and in order and are approved for acquisition by the PAC.

7. By agreeing to participate in this Open Offer (i) the holders of the Equity Shares who are persons resident in India and the (ii) the holders of the Equity Shares who are persons resident outside India (including NRIs, OCBs and FPIs) give the Promoter the authority to make, sign, execute, deliver, acknowledge and perform all actions to file applications and regulatory reporting, if required, including FC-GPR/FC-TRS form, if necessary and undertake to provide assistance to the Acquirer for such regulatory filings, if required by the Acquirer.

## **VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER**

1. The Open Offer will be implemented by the Acquirer and the Promoter, as persons acting in concert, subject to applicable laws, through an Acquisition Window, i.e., ‘stock exchange mechanism’ made available by BSE in the form of a separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated 13 April 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated 9 December 2016 and SEBI circular SEBI/HO/CFD/DCRIII/CIR/P/2021/615 dated 13 August 2021 (“**Acquisition Window Circular**”). The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on the BSE in the form of the Acquisition Window.
2. All Public Shareholders, registered or unregistered, holding the shares in dematerialized form or holding locked-in shares are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer. For details in relation to tendering of Offer Shares held in physical form, please refer to section titled “Procedure for tendering Equity Shares held in Physical form” below this part.
3. BSE shall be the designated stock exchange (“**Designated Stock Exchange**”) for the purpose of tendering Equity Shares in the Open Offer.
4. The LOF 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.
5. The Public Announcement, the Detailed Public Statement, this Draft Letter of Offer, LOF along with the Form of Acceptance-cum-Acknowledgement would also be available on SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)). In case of non-receipt of the LOF, all the Public Shareholders, including those who have acquired Equity Shares of the Target Company after the Identified Date, if they so desire, may download the same from the aforesaid website or obtain 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.
6. All the Public Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stockbrokers (“**Selling Broker(s)**”), during the normal trading hours of the secondary market during the Tendering Period. The Buying Broker or an affiliate may also act as Selling Broker for Public Shareholders.

7. The Acquirer and the Promoter have appointed InCred Capital Wealth Portfolio Managers Private Limited as the “**Buying Broker**”, being the registered broker, through whom the purchases and settlements on account of the Offer Shares tendered under the Offer shall be made. The contact details of the Buying Broker are mentioned below:

**InCred Capital Wealth Portfolio Managers Private Limited**

**Address:** Unit No 1203, 12th Floor, B Wing, The Capital,  
C-70, G Block, BKC, Bandra (E), Mumbai – 400051

**Tel:** 022 6904 1581, **Fax:** 022 4161 1589/1594

**Contact Person:** Mr. Ravindra Govalkar

**Email:** ops@incredcapital.com

**Website:** www.incredequities.com

**SEBI Registration No:** INZ000294632

**CIN:** U74999MH2018PTC30504

8. The Selling Broker can enter orders for physical and dematerialised Equity Shares. The cumulative quantity tendered shall be displayed on the BSE’s website ([www.bseindia.com](http://www.bseindia.com)) throughout the trading session at specific intervals during the Tendering Period. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder.
9. Modification/cancellation of orders will not be allowed during the Tendering Period.
10. The Public Shareholders can tender their Equity Shares only through Selling Broker(s) with whom such shareholder is registered as client (and has complied with the relevant ‘Know Your Client’ procedures and guidelines).
11. Public Shareholders have to ensure that their Equity Shares are made available to their seller 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.
12. In the event the Selling Broker is not registered with BSE or if the Public Shareholder does not have any stockbroker, then that Public 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 a Public Shareholder is not able to bid using quick UCC facility through any BSE registered stockbroker, then the Public Shareholder may approach the Buyer Broker, to tender Equity Shares by using the quick UCC facility of the Buying Broker or an affiliate. The Public Shareholders approaching BSE registered stockbroker (with whom he does not have an account) may have to submit following details:
13. In case of Public Shareholder being an individual:
- (a) If the Public Shareholder is registered with a ‘KRA’, i.e., a KYC Registration Agency, the following documents will be required to be submitted (duly filled and completed):

- (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 and the supporting documents (all such documents are required to be self-attested) including bank account details (cancelled cheque).
  - (iii) DP details where the Equity Shares are deposited (Demat master/latest Demat statement), assuming the Equity Shares are in dematerialised mode.
- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) CKYC form, including FATCA, IPV, OSV if applicable.
  - (ii) KRA form.
  - (iii) KYC form and the following supporting documents required (all such documents are required to be self-attested): PAN card copy, address proof & bank account details (cancelled cheque).
  - (iv) DP details where the Equity Shares are deposited (Demat master / latest Demat statement), assuming the Equity Shares are in dematerialised mode.

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

14. In case of Public Shareholder being a HUF:

- (a) If the Public Shareholder is already registered with KRA, the following documents will be required to be submitted (duly filled and completed):
  - (i) CKYC form of the ‘KARTA’, including FATCA, IPV, OSV if applicable.
  - (ii) KYC form and the supporting documents required (all documents self-attested) including bank account details (cancelled cheque).
  - (iii) DP details where the Equity Shares are deposited (Demat master/latest Demat statement), assuming the Equity Shares are in dematerialised mode.
- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
  - (i) CKYC form of the ‘KARTA’, including FATCA, IPV, OSV if applicable.
  - (ii) KRA form.
  - (iii) KYC form and the following supporting documents (all such documents are required to be self-attested): PAN card copy of HUF & KARTA, address proof of HUF & KARTA, HUF declaration, bank account details (cancelled cheque).

- (iv) DP details where the Equity Shares are deposited (Demat master/latest Demat statement), assuming the Equity Shares are in dematerialised mode.

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

15. In case of Public Shareholder being other than Individual and HUF:

- (a) If the Public Shareholder is already registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) KYC form and the supporting documents (all such documents are required to be self-attested) including bank account details (cancelled cheque).
  - (ii) DP details where the Equity Shares are deposited (Demat master/latest Demat statement), assuming the Equity Shares are in dematerialised mode.
  - (iii) FATCA, IPV, OSV if applicable.
  - (iv) Latest list of directors / authorised signatories / partners / trustees.
  - (v) Latest shareholding pattern.
  - (vi) Board resolution.
  - (vii) Details of ultimate beneficial owner along with PAN card and address proof.
  - (viii) Last 2 years' financial statements.
- (b) If the Public Shareholder is not registered with KRA, the following documents will be required to be submitted (duly filled and completed):
- (i) KRA form.
  - (ii) KYC form and the supporting documents (all such documents are required to be self-attested): PAN card copy of company/firm/trust, address proof of company/firm/trust and bank account details (cancelled cheque).
  - (iii) DP details where the Equity Shares are deposited (Demat master/latest Demat statement), assuming the Equity Shares are in dematerialised mode.
  - (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) Memorandum of association/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.*

16. **Procedure for tendering Equity Shares held in Dematerialised Form:**

- (a) The Public Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- (b) The Public Shareholders shall submit delivery instruction slip duly filled-in specifying the appropriate market type in relation to the "Open Offer" and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Offer.
- (c) 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 Offer using the Acquisition Window of the BSE. Before placing the order/bid, the Seller Broker will be required to mark lien on the tendered Equity Shares.
- (d) The lien shall be marked by the stock broker(s) in the demat account of the Eligible Shareholder for the shares tendered in Open Offer. Details of shares marked as lien in the demat account of the shareholders shall be provided by the depositories to the Clearing Corporation. In case, the shareholders demat account is held with one depository and clearing member pool and Clearing Corporation account is held with other depository, shares shall be blocked in the shareholders demat account at source depository during the tendering period. Inter depository tender offer (the "IDT") instructions shall be initialised by the eligible shareholders at source depository to clearing member/ Clearing Corporation account at target depository. Source depository shall block the shareholder's securities (i.e., transfers from free balance to blocked balance) and send IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target depository to the Clearing Corporation.
- (e) For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodian. The custodian participant shall either confirm or reject the orders not later than the closing of trading hours (i.e., 3:30 p.m. Indian Standard Time) on the last day of the Tendering Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- (f) Upon placing the order, the Selling Broker shall provide Transaction Registration Slip ("TRS") generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid identification number, DP ID,

Client ID, no. of Equity Shares tendered, etc. On receipt of TRS from the respective Seller Broker, the Public Shareholder has successfully placed the bid in the Offer. In case of non-receipt of the completed Tender Form and other documents, but lien marked on Equity Shares and a valid bid in the exchange bidding system, the bid by such Public Shareholder shall be deemed to have been accepted.

- (g) Modification/cancellation of orders will not be allowed during the Tendering Period of the Offer.
- (h) 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 BSE/Clearing Corporation, before the opening of the Offer.
- (i) The Public 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 Offer.
- (j) In case of receipt of Shares in the special account of the Clearing Corporation and a valid bid in the exchange bidding system, the Open Offer shall be deemed to have been accepted, for Demat Shareholders.
- (k) The cumulative quantity tendered shall be made available on the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) throughout the trading sessions and will be updated at specific intervals during the Tendering Period. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder.
- (l) In case any person has submitted Equity Shares in physical form for conversion to Demat, such Public Shareholders should ensure that the process of getting the Equity Shares converted to Demat mode is completed well in time so that they can participate in the Offer before the closure of the Tendering Period.
- (m) 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.
- (n) 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-cum-Acknowledgement. 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-cum-Acknowledgement 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 "**Shriram AMC - Open Offer**". The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance-cum-Acknowledgement.

17. **Procedure for tendering Equity Shares held in Physical Form:**

- (a) As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release bearing no. 49/2018 dated 3 December 2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form

with a depository w.e.f. 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 and Frequently Asked Questions issued by SEBI, “FAQs - Tendering of physical shares in buyback offer/open offer/exit offer/delisting” dated 20 February 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.

(b) The procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below:

(i) Public Shareholders who are holding physical Equity Shares 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) (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 authorizing the transfer in favor of the Target Company, (iii) self-attested copy of the shareholder's PAN Card (in case of joint holders, PAN card copy of all transferors, and (iv) 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.

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 passport.

(ii) 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 the BSE. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, certificate number, distinctive number of Equity Shares tendered etc.

(iii) The Selling Broker / Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post or courier or hand delivery to the Registrar to the Offer i.e. **Purva Shareregistry India Private Limited** at the address mentioned on the cover page so as to reach them no later than the Offer Closing Date (by 5:00 p.m. Indian Standard Time) The envelope should be super scribed as “**Shriram AMC - Open Offer**”. One copy of the TRS will be retained by the Registrar and it will provide acknowledgement of the same to the Selling Broker/Public Shareholder.

- (iv) The Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for the Open Offer shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the BSE shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'. Physical share certificates and other relevant documents should not be sent to the Acquirer, Target Company or the Manager.
- (v) All documents as mentioned above, shall be enclosed with the Form of Acceptance-cum-Acknowledgement, 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-cum-Acknowledgement 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-cum-Acknowledgement and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.
- (vi) In case any Public Shareholder has submitted Equity Shares in physical form for dematerialization, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.
- (vii) The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.

18. **Procedure for tendering the Equity Shares in case of non-receipt of LOF:**

- (a) Persons who have acquired the 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 LOF, may also participate in this Offer. Accidental omission to send the LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.
- (b) A Public Shareholder may participate in the Offer by approaching their broker/Selling Broker and tender the Equity Shares in the Offer as per the procedure mentioned in this LOF or in the relevant FOA.
- (c) The LOF along with Form of Acceptance-cum-Acknowledgement will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company, as appearing in the list of members of the Target Company as on the

Identified Date. In case of non-receipt of the LOF along with Form of Acceptance-cum-Acknowledgement, such Public Shareholders of the Target Company may download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)). Such Public Shareholders of the Target Company may also obtain a copy of the LOF along with Form of Acceptance-cum-Acknowledgement from the Registrar to the Offer on providing suitable documentary evidence of holding the Equity Shares of the Target Company.

- (d) Alternatively, in case of non-receipt of the LOF, the Public Shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of Equity Shares held, client ID number, DP name, DP ID number, number of Equity Shares tendered and other relevant documents as mentioned in LOF. Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by BSE before the closure of the Tendering Period.
- (e) Physical share certificates and other relevant documents should not be sent to the Acquirer, Target Company or the Manager.

19. **Acceptance of Shares**

- (a) The Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.
- (b) In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Promoter shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1.
- (c) In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Promoter 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.

20. **Settlement Process**

- (a) On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- (b) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder. Selling Broker(s) should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.

- (c) For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds pay-out to respective Public Shareholders in the bank accounts linked to their respective demat accounts. If the relevant Public Shareholder's bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant 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.
- (d) In case of certain client types viz. NRIs, non-resident 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 onwards releasing the same to their respective Public Shareholder's account. For this purpose, the client type details would be collected from the Registrar to the Offer.
- (e) For the Public Shareholder(s) holding Equity Shares in physical form, the funds pay-out would be given to their respective Selling Broker's settlement bank accounts for releasing the same to the respective Public Shareholder's account.
- (f) The Public Shareholders holding Equity Shares in dematerialized form will have to ensure that they update their bank account details with their correct account number used in core banking and IFSC codes, keep their depository participant account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.
- (g) Details in respect of acceptance for Open Offer process will be provided to the Clearing Corporation by the Company or Registrar to the Open Offer. On receipt of the same, Clearing Corporation will cancel the excess or unaccepted blocked shares in the demat account of the shareholder. On settlement date, all blocked shares mentioned in the accepted bid will be transferred to the Clearing Corporations.
- (h) In the case of inter depository, Clearing Corporation will cancel the excess or unaccepted shares in target depository. Source depository will not be able to release the lien without a release of IDT message from target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporations or automatically generated after matching with bid accepted detail as received from the Company or the Registrar to the Open Offer. Post receiving the IDT message from target depository, source Depository will cancel/release excess or unaccepted block shares in the demat account of the shareholder. Post completion of Tendering Period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the securities as per the communication/message received from target depository to the extent of accepted bid shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.
- (i) The Public Shareholders will have to ensure that they keep the Depository Participant account active and unblocked.
- (j) The direct credit of Equity Shares shall be given to the Demat account of the Promoter as indicated by the Buying Broker.

- (k) In the event of any rejection of transfer to the Demat account of the Public Shareholder for any reason, the Demat Equity Shares shall be released to the securities pool account of their respective Selling Broker, and the Selling Broker will thereafter transfer the balance Equity Shares to the respective Public Shareholders.
- (l) The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.
- (m) Any excess physical Equity Shares, including to the extent tendered but not accepted, will be returned by registered post back to the Public Shareholder(s) directly by Registrar to the Offer. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders/unregistered owners' sole risk to the sole/first Public Shareholder/unregistered owner.
- (n) Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for any cost, applicable taxes, charges, and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Promoter and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- (o) Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases/attachment orders/restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- (p) Buying Brokers would also issue a contract note to the Promoter for the Equity Shares accepted under the Offer.
- (q) Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released and the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the Promoter. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.
- (r) The Promoter intends to complete all formalities, including the payment of consideration to the Public Shareholders of the Target Company whose shares have been accepted in the Offer, within a period of 10 Working Days from the closure of the Tendering Period, and for this purpose, open a special escrow account as provided under Regulation 21(1) of the SEBI (SAST) Regulations.
- (s) Public 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 Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Promoter and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

## **VIII. TAX PROVISIONS**

**THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.**

**THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.**

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

**THE ACQUIRER AND THE PROMOTER, AS PERSONS ACTING IN CONCERT, DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, 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, AS SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.**

### **1. GENERAL**

- (a) 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 of the following year.

- (b) A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the IT Act, as amended from time to time.
- (c) A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).
- (d) Since the Target Company is incorporated in India, the Equity Shares are "situated" in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- (e) Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting ("Multilateral Instrument/MLI") as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule ("GAAR") and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- (f) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- (g) 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.
- (h) In addition to income tax, as the tendering of Equity Shares is being undertaken on BSE Limited, such transaction will be chargeable to Securities Transaction Tax ("STT"). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on any Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.10% of the value of security transacted.
- (i) All references to equity shares herein are to listed equity shares unless stated otherwise.

## 2. Classification of Shareholders

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"), and
  - (ii) others:

- (I) Company, and
  - (II) other than company
- (b) Non-Resident Shareholders being:
- (i) non-resident Indians (“**NRIs**”)
  - (ii) Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
  - (iii) others:
    - (I) Company, and
    - (II) other than company

### 3. **Classification of Shares**

- (a) The characterization of gains/losses, arising from sale of shares, as Capital Gains or Business Income would depend on the nature of holding in the hands of the shareholder and various other factors. Shareholders are also required to refer to Circular No.6/2016 dated February 29, 2016 issued by the Central Board of Direct Taxes (“**CBDT**”). The nature of gains/loss in the foregoing cases will be as under:
- (i) Shares held as investment: Income arising from transfer of shares taxable under the head “**Capital Gains**”.
  - (ii) Shares held as stock-in-trade: Income arising from transfer taxable under the head “**Profits and Gains from Business or Profession**”.

### 4. **Taxability of Capital Gains in the hands of the Shareholders**

- (a) Capital gains in the hands of shareholders would be computed as per the provisions of Section 48 of the IT Act and the rate of income tax would depend on the period of holding.
- (b) Period of Holding
- Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:
- (i) Short-term Capital Asset (“**STCA**”): Equity shares held for less than or equal to 12 (Twelve) months.
  - (ii) Long-term Capital Asset (“**LTCA**”): Equity share held for more than 12 (Twelve) months.
- (c) Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“**STCG**”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“**LTCG**”).

- (d) As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 12.50% (after 23<sup>rd</sup> day of July 2024) if STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated October 1, 2018) and if the aggregate LTCG during the financial year exceeds INR 1.25 Lakhs. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.
- (e) As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per the terms of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before January 31, 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to January 31, 2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to January 31, 2018, the cost of acquisition of such shares should be higher of: (a) actual cost of acquisition and (b) lower of (i) fair market value as on January 31, 2018 (highest quoted price on January 31, 2018 or immediately prior trading day if shares were not traded on January 31, 2018) and (ii) actual sale consideration.
- (f) If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018/F.No.370142/9/2017-TPL dated October 1, 2018, then the entire LTCG arising to the shareholder shall be subject to tax at 12.50% (plus applicable surcharge and cess) under Section 112 of the IT Act.
- (g) STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 20.00% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- (h) As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- (i) 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.
- The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- (j) As per Section 70 of the IT Act, Short Term Capital Loss computed for the 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 8

(Eight) assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.

- (k) 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.
- (l) Additional information in case of Foreign Institutional Investors ("FIIs"):
- (i) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
  - (ii) 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 20.00%.
  - (iii) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 12.50%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 12.50% will be calculated on such income exceeding INR 1,25,000 .
  - (iv) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.
  - (v) The above rates are to be increased by applicable surcharge and cess.
  - (vi) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
  - (vii) The CBDT has vide Notification No. 9/2014 dated January 22, 2014 notified Foreign Portfolio Investors registered under the Securities and Exchange Board of India (FPI) Regulations, 2014 as FII for the purpose of Section 115AD of the IT Act.
- (m) Additional Information in case of Non-resident Indians ("NRIs"):
- (i) Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e., individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

- (ii) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 12.50% (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
  - (iii) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition.
  - (iv) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
  - (v) Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
  - (vi) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.
- (n) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favorable to the taxpayer, subject to satisfying relevant conditions including not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- (o) 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. 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.
- (p) Mutual Funds
- Under Section 10(23D) of the IT Act, any income of mutual funds registered under SEBI or Regulations made thereunder or mutual funds set up by public sector banks or public financial institutions or mutual funds authorized by the RBI and subject to the

conditions specified therein, is exempt from tax subject to such conditions as the Central Government may by notification in the Official Gazette, specify in this behalf.

## 5. **Taxability of Business Income in the hands of the Shareholders**

- (a) Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.
- (b) In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head “Profit and gains of business or profession”, if the income arising from taxable securities transaction is included in such income.
- (c) Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

## 6. **Withholding Tax implications**

- (a) Remittance/Payment of Consideration
  - (i) Resident shareholders:
    - (I) As of the date of filing of this document, in the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Promoter is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.
    - (II) With effect from July 1, 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.10% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 50,00,000 and the buyer had a business turnover of more than INR 10,00,00,000 (in the immediately preceding year. The term “goods” has not been defined and may cover shares.
    - (III) As per Circular No 13 of 2021 dated June 30, 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Promoter is not required to withhold tax under Section 194Q on consideration payable to resident shareholders.

- (IV) The resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The resident shareholders also undertake to provide the Promoter, 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.
- (ii) Non-resident shareholders – FIIs
- Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.
- (iii) Non-resident shareholders (other than FIIs):
- (I) Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
- (II) Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
- (III) However, the Promoter 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 Promoter to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Promoter to the non-resident shareholders.
- (IV) Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Promoter believe that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Promoter. It is therefore recommended that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately. In the event the Promoter 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 Promoter should be indemnified.
- (V) The non-resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Promoter, 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.

(b) Remittance/Payment of Interest

- (i) In case of interest, if any, paid by the Promoter to Public Shareholders (all such shareholders being resident shareholders) 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 Promoter depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance-cum-Acknowledgement or such additional documents as may be called for by the Promoter. It is recommended that the Public Shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Promoter is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the Public Shareholder and to that extent the Promoter should be indemnified.
- (ii) The Public 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 Public Shareholders also undertake to provide to the Promoter, 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.

7. **Rate of Surcharge and Cess**

In addition to the basic tax rate, applicable Surcharge, Health and Education Cess are currently leviable as under:

(a) Surcharge

- (i) In case of domestic companies: Surcharge at 12.00% is leviable where the total income exceeds INR 10,00,00,000 and at 7.00% where the total income exceeds INR 1,00,00,000 but less than INR 10,00,00,000.
- (ii) In case of domestic companies liable to pay tax under section 115BAA or section 115BAB: Surcharge at 10.00% is leviable.
- (iii) In case of companies other than domestic companies: Surcharge at 5.00% is leviable where the total income exceeds INR 10,00,00,000 and at 2.00% where the total income exceeds INR 1,00,00,000 but less than INR 10,00,00,000.
- (iv) In case of individuals, HUF, AOP, BOI:
  - (I) Surcharge at the rate of 10.00% is leviable where the total income exceeds INR 50,00,000 but does not exceed INR 1,00,00,000.
  - (II) Surcharge at the rate of 15.00% is leviable where the total income exceeds INR 1,00,00,000 but does not exceed INR 2,00,00,000.

- (III) Surcharge at the rate of 25.00% is leviable where the total income exceeds INR 2,00,00,000 but does not exceed INR 5,00,00,000.
  - (IV) Surcharge at the rate of 37.00% is leviable where the total income exceeds INR 5,00,00,000.(This is applicable to the old regime only, while the new regime applies 25.00% surcharge above INR 5 crore).
  - (v) However, for the purpose of income chargeable under section 111A, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15.00%.
  - (vi) In case of Firm and Local Authority: Surcharge at 12.00% is leviable where the total income exceeds INR 1,00,00,000 .
- (b) Cess

Health and Education Cess at 4.00% is currently leviable in all cases.

#### 8. **Others**

- (a) Notwithstanding the details provided above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws.
- (b) The tax deducted by the Promoter while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.
- (c) The Promoter will deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholder, such Public Shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Promoter with all information/documents that may be necessary and co-operate in any proceedings before income tax/ appellate authority in India

**THE ABOVE NOTE ON TAXATION 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.**

#### IX. **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 MAPE Advisory Group Private Limited, 10 Vasant Vihar, 2<sup>nd</sup> Floor, New Nagardas Road, Andheri East, Mumbai 400069, India. The documents can be inspected during normal business hours between 10 a.m. to 5:00 p.m. on any Working Day, *i.e.* Monday to Friday and not being a bank holiday in Mumbai, during the Tendering Period. In light of SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2020/139 dated 27 July 2020 read with SEBI Circular SEBI/CIR/CFD/DCR1/CIR/P/2020/83 dated May 14, 2020, copies of the following documents will also 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 – Shriram AMC - Open Offer**", to the Manager of the Offer at email: [compliance@mapegroup.com](mailto:compliance@mapegroup.com); and upon receipt and processing of the received request, access can be provided to the respective Public Shareholders for electronic inspection of documents.

1. Copies of the Certificate of incorporation and Memorandum and Articles of Association of the Acquirer (as applicable pursuant to its place of incorporation) and Promoter;
2. Copy of the Term Sheet in relation to the Underlying Transaction which triggered the Open Offer;
3. Copy of annual reports of the Promoter for the periods ending 31 March 2024, 31 March 2023 and 31 March 2022;
4. Copy of annual reports of the Acquirer for the periods ending 31 December 2023, 31 December 2022 and 31 December 2023;
5. Copy of annual reports of the Target Company for the periods ending 31 March 2024, 31 March 2023 and 31 March 2022;
6. Certificate dated 11 December 2024 from CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205), certifying the adequacy of financial resources of the Promoter to fulfil the Offer obligations;
7. Certificate dated 10 December 2024 from CNGSN & Associates LLP, Chartered Accountants, Firm Registration No.: 004915S (Mr. Chella Narayanaswamy Gangadaran, Partner, Membership No. 011205), certifying the Offer Price computation;
8. Escrow Agreement dated 11 December 2024 executed among the Acquirer, Promoter, the Manager and Axis Bank Limited;
9. Letter dated 11 December 2024 from Axis Bank Limited, confirming the deposit of INR 300,000,000 in the Escrow Account;
10. Copy of the Public Announcement dated 10 December 2024 and submitted to the BSE;

11. Copy of the DPS dated 13 December 2024 published by the Manager to the Offer on behalf of the Acquirer and the Promoter on 14 December 2024;
12. Copy of the recommendation made by the committee of the independent directors of the Target Company published in the newspapers on [•];
13. Copy of the agreement dated [•] into with Depository Participant for opening a special depository account for the purpose of the Offer; and
14. Copy of the letter number [•] from SEBI dated [•] containing its observations on the DLoF.

**X. DECLARATION BY THE ACQUIRER AND THE PROMOTER**

1. For the purpose of disclosures in the Draft Letter of Offer relating to the Target Company, the Acquirer and the Promoter have relied on the information provided by the Target Company respectively or as available in the public domain and have not independently verified the accuracy of details of the Target Company. Subject to the aforesaid, the Acquirer and the Promoter and their respective directors, severally and jointly accept full responsibility for the information contained in this Draft Letter of Offer 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).
2. The Acquirer and the Promoter will be severally and jointly responsible for ensuring compliance with the SEBI (SAST) Regulations.

The persons signing this DLoF on behalf of the Acquirer and the Promoter have been duly and legally authorized to sign this DLoF.

**Signed for and on behalf of Sanlam Emerging Markets (Mauritius) Limited (Acquirer)**

Sd/-

**Authorized Signatory**

**Signed for and on behalf of Shriram Credit Company Limited (Promoter)**

Sd/-

**Authorized Signatory**

**Place:** Chennai

**Date:** 14 December 2024