

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 Hari Govind International Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the Offer/Registrar to the Offer (*as defined below*). In case you have recently sold your Equity Shares (*as defined below*) in the Target Company, please hand over the Letter of Offer and the accompanying Form of Acceptance (*as defined below*) and transfer deed to the member of stock exchange through whom the said sale was effected.

**OPEN OFFER (“OPEN OFFER”/ “OFFER”)
BY**

Mr. Shaju Thomas (“Acquirer- 1”)

Address: 13/219, Thurutheth House, Poomthottam, Pathiriyal, Pathiriyal, Thiruvalli, Malappuram, Kerala – 676123

Contact No.: 9373126605 | **Email ID:** hgil.ngp@gmail.com

Mrs. Linta Purayidathil Jose (“Acquirer- 2”)

Address: 13/219, Thurutheth House, Poomthottam, Pathiriyal, Pathiriyal, Thiruvalli, Malappuram, Kerala – 676123

Contact No.: 9373126605 | **Email ID:** hgil.ngp@gmail.com

To the Eligible Shareholder(s) of

HARI GOVIND INTERNATIONAL LIMITED (“Target Company”)

A public limited company incorporated under the Indian Companies Act, 1956

Registered Office: 125, Wardhman Nagar Nr. Radha Krishna Mandir, Nagpur, Maharashtra, India, 440008;

CIN: L99999MH1989PLC050528; **Tel. No.:** +91 9373126605; **Website:** www.hgil.in

TO ACQUIRE UP TO 22,81,500 (TWENTY-TWO LAKHS EIGHTY-ONE THOUSAND FIVE HUNDRED) FULLY PAID-UP EQUITY SHARES HAVING FACE VALUE OF INR 10/- (INDIAN RUPEES TEN ONLY) EACH (“EQUITY SHARES”), REPRESENTING 26.00% (TWENTY SIX PERCENT) OF THE EXPANDED SHARE CAPITAL (“AS DEFINED BELOW”) OF THE TARGET COMPANY, AT A PRICE OF INR 10/- (INDIAN RUPEES TEN ONLY) PER EQUITY SHARE (“OFFER PRICE”), IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”).

1. Please Note:
2. This Open Offer is being made pursuant to an SPA and a Preferential Allotment by the Acquirers to the Public Shareholders in compliance with the Regulation 3(1) and Regulation 4, read with Regulation 15(1) and Regulation 13(2A)(i) and other applicable regulations of the SEBI (SAST) Regulations.
3. The Offer Price is INR 10/- (Indian Rupees ten only) per Equity Share, payable in cash.
4. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
5. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
6. As on the date of this draft letter of offer (“Draft Letter of Offer” or “DLOF”), to the best of the knowledge of the Acquirer, there are no statutory or other approval(s) required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction (as defined below), save and except the Required Statutory Approval (as defined below) and as set out in paragraph 8.4 (Statutory Approvals and conditions of the Offer) of this DLOF. However, if any statutory or other approval(s) becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) being obtained. Where the statutory approvals extend to some but not all Public Shareholders, the Acquirers will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
7. In terms of Regulation 23 of the SEBI (SAST) Regulations, in the event that, for reasons outside the reasonable control of the Acquirers, any statutory approvals required are not received or refused, then the Acquirers shall have the right to withdraw the Open Offer. In the event of such a withdrawal of the Open Offer, the Acquirers (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations
8. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirers are permitted to revise the Offer Price or the Offer Size (as defined below) at any time prior to the commencement of the last 1 (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 Acquirers shall (i) make a corresponding increase to the Escrow Amount in the Open Offer Escrow Account (as defined below), (ii) make an announcement in the same newspapers in which the DPS (as defined below) was published, and (iii) simultaneously notify the Stock Exchanges (as defined below), Securities and Exchange Board of India (“SEBI”) and the Target Company at its registered office. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations.
9. In the event that the number of Equity Shares validly tendered by the Shareholders under this Open Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager to the Offer.
10. As per the information available with the Acquirers and the Target Company, there is no competing offer as on the date of this Draft Letter of Offer. If there is a competing offer at any time hereafter, the offers under all subsisting bids will open and close on the same date.
11. Copies of the Public Announcement (“PA”) and the Detailed Public Statement (“DPS”) are available and copies of the DLOF and the LOF (including Form of Acceptance) (as defined below) will also be available on the website of SEBI at www.sebi.gov.in.

All future correspondence should be addressed to the Manager to the Offer/Registrar to the Offer at the addresses mentioned below:

MANAGERS TO THE OPEN OFFER	REGISTRAR TO THE OPEN OFFER
 Marwadi Chandarana Intermediaries Brokers Private Limited X-change Plaza, Office no. 1201 to 1205, 12th Floor, Building No. 53E, Zone-5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat, India Tel. No.: 022-69120027; Email: mb@marwadichandarana.com ; Website: ib.marwadichandanargroup.com ; Contact Person: Radhika Maheshwari / Jigar Desai; SEBI Registration Number: INM000013165	 Satellite Corporate Services Pvt Ltd A 106& 107, Dattani Plaza, East West Compound, Andheri Kurla Road, Safed Pool Sakinaka, Mumbai - 400072 Tel. No.: 022 - 28520461 / 462 Fax No.: 022 - 28511809 Email id: service@satellitecorporate.com ; Contact Person: Mr. Michael Monteiro SEBI Registration Number: INR000003639 Website: www.satellitecorporate.com
OFFER OPENS ON: FRIDAY, JULY 04, 2025	OFFER CLOSES ON: THURSDAY, JULY 17, 2025

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

	Activity	Date	Day
1	Issue of PA	May 14,2025	Wednesday
2	Publication of DPS in newspapers	May 21,2025	Wednesday
3	Last date for Filing of draft letter of offer (DLOF) with SEBI	May 28,2025	Wednesday
4	Last date for public announcement of a competing offer	June 11, 2025	Wednesday
5	Last date for receipt of comments from SEBI on the draft letter of offer (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	June 18, 2025	Wednesday
6	Identified Date*	June 20, 2025	Friday
7	Last date for dispatch of the Letter of Offer to the Public Shareholders whose names appear on the register of members on the Identified Date	June 27, 2025	Friday
8	Last date by which a committee of independent directors of the Target Company is required to give its recommendation to the Public Shareholders of the Target Company for this Offer	July 02, 2025	Wednesday
9	Last date for upward revision of the Offer Price and/or the Offer Size	July 02, 2025	Wednesday
10	Date of publication of advertisement for Offer opening	July 03, 2025	Thursday
11	Commencement of tendering period (" Offer Opening Date ")	July 04, 2025	Friday
12	Closure of tendering period (" Offer Closing date ")	July 17, 2025	Thursday
13	Last date of communicating of rejection/ acceptance and payment of consideration for accepted tenders/ return of unaccepted shares	July 31, 2025	Thursday
14	Last date for publication of post-Offer public announcement in the newspapers in which this DLOF has been published	August 07, 2025	Thursday

Notes:

- (1) Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.
- (2) The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and subject to receipt of the Required Statutory Approval and other approvals and may have to be revised accordingly.
- (3) 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 as on such date to whom the LOF will be sent. It is clarified that all holders (registered or unregistered) of Equity Shares (except those who are excluded from the ambit of Public Shareholders) are eligible to participate in the Open Offer at any time during the Tendering Period.

RISK FACTORS

A. RELATING TO THE OFFER

The risk factors set forth below are limited to this Offer, the underlying transaction contemplated under the SPA and Preferential Allotment, and in association with the Acquirer, and the risk factors set forth below are not intended to cover a complete analysis of all risks perceived in relation to the Offer or in association with the Acquirers but are only indicative and not exhaustive. The risk factors do not relate to the present or future business or operations of the Target Company or any other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation in the Offer by an Eligible Shareholder. The Eligible Shareholders are advised to consult their stockbroker, legal, financial or tax advisor or investment consultant, if any, for further risks with respect to their participation in the Offer.

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer.

- 1) The Offer involves an offer to acquire up to 26.00% of the Expanded Share Capital of HGIL from the Eligible Persons for the Offer. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
- 2) As on date of this Draft Letter of Offer, no, statutory and other approval are required in connection with this offer, however this offer will be subject to all statutory approvals that may become applicable at a later date. In the event that (a) a statutory and regulatory approval is not received in a timely manner, or (b) there is any litigation leading to a “stay” of the Offer, and then the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the shareholders of HGIL whose Shares has been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed.
- 3) The Acquirers will not proceed with the Open Offer in terms of Regulation 23(1) of SEBI (SAST) Regulations under any of the following circumstances:
 - a) statutory approvals required for the open offer or for effecting the acquisitions attracting the obligation to make an open offer under these regulations having been finally refused, subject to such requirements for approval having been specifically disclosed in the detailed public statement and the letter of offer;
 - b) the acquirer, being a natural person, has died;
 - c) any condition stipulated in the agreement for acquisition attracting the obligation to make the open offer is not met for reasons outside the reasonable control of the acquirer, and such agreement is rescinded, subject to such conditions having been specifically disclosed in the detailed public statement and the letter of offer; or
 - d) such circumstances as in the opinion of the Board, merit withdrawal.

For the purposes of clause (d) of sub-regulation (1), the Board shall pass a reasoned order permitting withdrawal, and such order shall be hosted by the Board on its official website.

- 4) In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, 2011, SEBI may, if satisfied that the non-receipt of approvals was not due to wilful default or negligence or failure to diligently pursue such approvals on the part of the Acquirer, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by SEBI. Without prejudice of Regulation 18(11) of the SEBI (SAST) Regulations, 2011 Acquirers shall pay interest for the period of delay to all such shareholders whose shares have been accepted in the open offer, at the rate of ten per cent per annum, however in case the delay was not attributable to any act of omission or commission of the Acquirer, or due to the reasons or circumstances beyond the control of Acquirer, SEBI may grant waiver from the payment of interest.
- 5) The Equity Shares tendered in the Offer shall be held in trust by the Clearing Corporation /Registrar to the Offer until the completion of the Offer formalities 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 equity Shares in this offer and/or dispatch of payment consideration are delayed. Further, during such period, there may 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. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer and the Acquirers do not make any assurance with respect to the market price of the Equity Shares at any time, whether during or after the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Offer.
- 6) Public Shareholders should note that once they have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer, even if the acceptance of Equity Shares under the Offer and dispatch of consideration is delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company. The Public Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer and/or Clearing Corporation notwithstanding delay in acceptance of the Equity Shares in this Offer and dispatch of payment consideration. Accordingly, the Acquirers and Manager to the Offer make no assurance with respect to the

market price of the Equity Shares of the Target Company before, during or upon completion of this Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Public Shareholders on whether or not to participate in this Offer.

- 7) This Offer is subject to completion risks as would be applicable to similar transactions.
- 8) NRI and OCB holders of Equity Shares must obtain all approval/s required to tender the Equity Shares held by them in this Offer (including without limitation the approval from the RBI) and submit such approval/s along with the Form of Acceptance and other documents required to accept this Offer. In the event such approval/s are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, FIIs and FPIs) were required to obtain any approval/s (including from the RBI, the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approval/s that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. If such previous approval/s and/or relevant documents are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Equity Shares are held under general permission and clarify whether the Equity Shares are held on repatriable basis or on non-repatriable basis.
- 9) This Draft Letter of Offer has not been filed, registered or approved in any jurisdiction outside India. The recipients of this Draft Letter of Offer (“DLOF”) resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirers or the Manager to the Offer to any new or additional registration requirements.
- 10) The Public Shareholders are advised to consult their respective legal and tax advisors to assess the tax liability pursuant to the Offer, or in respect of other aspects, such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this Draft Letter of Offer.
- 11) Public Shareholders should note that if they have pledged their Equity Shares in any manner, they will not be able to tender such pledged Equity Shares in this Offer.

B. RELATING TO THE ACQUIRER

- 1) The Acquirers intends to acquire 22,81,500 fully paid-up equity shares of Rs.10/- each, representing 26.00% of the fully expanded and diluted paid-up equity and voting share capital at a price of Rs. 10.00 per equity share. HGIL does not have any partly paid-up equity shares as on the date of the PA, DPS and this DLOF.
- 2) The Acquirers makes no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaims any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirers makes no assurance with respect to the financial performance of the Target Company.
- 3) The Acquirers and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.
- 4) Pursuant to completion of this Open Offer and the underlying transaction contemplated under the SPA, if the shareholding of the Public Shareholders in the Target Company falls below the minimum public shareholding requirement as specified under Rule 19A of the SCRR read with the SEBI LODR Regulations, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, within the prescribed time, and in a manner acceptable to the Acquirer.

NOTICE TO SHAREHOLDERS IN OTHER COUNTRIES

This Letter of Offer does not in any way constitute an offer to sell 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 an offer or solicitation. Potential users of the information contained in this Letter of Offer are requested to inform themselves about and to observe any such restrictions. The Open Offer described in this Letter of Offer is not being made to, nor will tender of shares be accepted from or on behalf of Public Shareholders in any jurisdiction in which such offer or invitation is not in compliance with applicable law or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this Draft Letter of Offer are requested to inform themselves about and to observe any such restrictions.

NOTICE TO SHAREHOLDERS IN UNITED STATES

In addition to the above, please note that the Open Offer is being made for acquisition of securities of an Indian company and Public Shareholders in the U.S. should be aware that this Letter of Offer and any other documents relating to the Open Offer have been or will be prepared in accordance with Indian procedural and disclosure requirements, including requirements regarding the Offer timetable and timing of payments, all of which differ from those in the U.S. Any financial information included in this LOF or in any other documents relating to the Open Offer, has been or will be prepared in accordance with non-U.S. accounting standards that may not be comparable to financial statements of companies in the U.S. or other companies whose financial statements are prepared in accordance with U.S. generally accepted accounting principles. This Letter of Offer has not been filed with or reviewed by the U.S. Securities and Exchange Commission or any U.S. state securities regulator.

CURRENCY OF PRESENTATION

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

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1. DEFINITIONS

TERM	DESCRIPTION
Acceptance Date	The date on which bids /Equity Shares tendered in the Offer shall be accepted post verification
Acquirer-1	Shaju Thomas
Acquirer-2	Linta Purayidathil Jose
Acquirers / The Acquirers	Collectively, Shaju Thomas and Linta Purayidathil Jose
AOA	Articles of Association of Target Company
Board	The Board of Directors of Target Company
BSE	BSE Limited, where Equity Shares of Target Company are listed
Buying Broker / Member	Nikunj Stock Brokers Limited
CIN	Corporate Identification Number
Clearing Corporation	Indian Clearing Corporation Limited
Companies Act	The Companies Act, 1956 and the Companies Act, 2013 as amended, substituted or replaced from time to time.
Designated Stock Exchange	BSE Limited (“BSE”)
Detailed Public Statement or DPS	Detailed Public Statement dated May 21, 2025 issued by the Manager to the Offer, on behalf of the Acquirers, in relation to the Offer and published in all editions of Financial Express (English), Jansatta (Hindi), and Mahasagar (Marathi, Regional) where the Registered Office of Company is located and Mumbai Lakshadeep (Marathi, Regional) the stock exchange where shares are listed, on Thursday, February 27, 2025 in accordance with the Regulations 3(1) and 4 read with Regulations 13(4), 14(3) and 15(2) and other applicable regulations of the SEBI (SAST) Regulations.
DLO / DLOF or Draft Letter of Offer	This Draft Letter of Offer dated May 28, 2025 filed with SEBI pursuant to Regulation 16 (1) of SEBI (SAST) Regulations.
Existing Equity Share Voting Capital / Fully paid up Equity Share & Voting Capital	Paid up Share Capital of the Target Company i.e., ₹ 500.00 lakhs divided into 50,00,000 Equity Shares of Face Value of Rs. 10/- each.
Existing Promoters of HGIL	Persons shown as Promoter and Promoter group in shareholding pattern as on April 21, 2025 filed by HGIL with BSE being Jugalkishore Maniyar and Sunita Maniyar
Expanded Share Capital	Expanded Share Capital shall mean 87,75,000 Equity Shares of ₹ 10/- each of the Target Company, the share capital on a fully diluted basis as of the 10th (Tenth) working day from the closure of the tendering period for the Open Offer. This includes the current capital of 50,00,000 Equity shares and 37,75,000 Equity Shares to be allotted by the Target Company by way of the proposed Preferential Allotment (as defined below) to the Acquirers and others, subject to the approval of the shareholders of the Target Company and other statutory / regulatory approvals.
EPS	Earnings Per Share which is Profit After Tax / No. of Equity Shares.
Form of Acceptance or FOA	Form of Acceptance cum Acknowledgement
Identified Date	June 20, 2025
Listing Agreement	Listing agreement as entered by the Target Company with the BSE
Manager to the Offer or, Merchant Banker	Marwadi Chandarana Intermediaries Brokers Private Limited
HGIL /Target Company/ TC / Company	Hari Govind International Limited
Negotiated Price	Rs. 10.00 per fully paid-up Equity Share of face value of Rs. 10/- each.
Offer/Open Offer/ The Offer	Cash Offer to acquire up to 22,81,500 Equity Shares of Rs. 10/- each representing 26.00% of the Expanded Share Capital of the Target Company, to be acquired by the Acquirers, at a price of Rs. 10/- per Equity share.
Offer Price	Rs. 10.00 per fully paid-up Share of Rs. 10/- each.
PA	Public Announcement
Preferential Allotment	Proposed Preferential Allotment of 37,75,000 Equity Shares ₹ 10/- (Rupees Ten only) per equity share to the Acquirers and Public

TERM	DESCRIPTION
	shareholders, as approved by the Board of Directors of the Target Company at their Board Meeting held on Wednesday; May 14, 2025, subject to approval of members and other regulatory approvals.
Public Shareholders	Public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding the Acquirers, the Promoters and members of the Promoter Group of the Target Company, Sellers and other persons deemed to be acting in concert with the Acquirers and the sellers
Persons eligible to participate in the Offer/ Shareholders	Registered shareholders of Hari Govind International Limited, and unregistered shareholders who own the Shares of HGIL on or before the last date of tendering period is eligible to participate in the offer except the Acquirers and Selling Shareholders
Registrar or Registrar to the Offer	Satellite Corporate Services Pvt Ltd
SPA Shares / Sale Shares	30,00,000 equity shares constituting 34.19% of the Expanded Share Capital of the Target Company which are to be acquired by Acquirers from Sellers at a consideration of ₹ 10/- per Equity Share.
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations / the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended up to date.
SEBI Act	Securities and Exchange Board of India Act, 1992.
Selling Shareholders / Sellers	Jugal Kishore Maniyar & Sunita Maniyar
Shares	Equity shares of Rs. 10/- (Rupees Ten only) each of the Target Company
Stock Exchange (s)	BSE Limited
SPA / Share Purchase Agreement	Share Purchase Agreement dated May 14, 2025 whereby 30,00,000 Equity Shares agreed to be acquired by the Acquirers at a price of ₹ 10.00/- (Rupees Ten only) per Equity Share aggregating to ₹ 3,00,00,000 (Rupees Three Crores only) (“SPA Consideration”) from the current Promoter of the Target Company (“the Sellers”)
Tendering Period	Friday, July 04, 2025 to Thursday, July 17, 2025
Working Day	Working days of SEBI, Mumbai

2. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF HGIL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS 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 ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER TO THE OFFER, MARWADI CHANDARANA INTERMEDIARIES BROKERS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 28, 2025 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES & TAKEOVERS) REGULATIONS, 2011. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

3. DETAILS OF THE OFFER

3.1 Background of the Offer

- 3.1.1 This Open Offer is being made in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations, read with Regulation 15(1) and Regulation 13(2A)(i) of the SEBI (SAST) Regulations, 2011 pursuant to execution of

the SPA executed between the Acquirers, the Sellers and the Target Company and SSA executed between the Acquirers and Sellers.

- a. The Acquirers have entered into a Share Purchase Agreement on May 14, 2025 with the Sellers to acquire 30,00,000 Equity Shares representing 60% of the existing Paid-up Equity Share Capital and 34.19% of the Expanded Share Capital of the Target Company at an agreed price of ₹ 10.00/- (Indian Rupees Ten only) per Equity Share.

Salient Features of Share Purchase Agreement are set out below

The SPA sets forth the terms and conditions agreed between the Acquirers, the Sellers and the Target Company and their respective rights and obligations:

- A. The consummation of the transaction contemplated under the SPA is subject to the fulfilment of the conditions precedent as specified under the SPA to the satisfaction of the Acquirers (unless waived by the Acquirer, subject to applicable law), including the following conditions precedent:
 1. The Sellers procuring all requisite corporate approvals required by the Sellers and Company for the purposes of execution, delivery and performance of its obligations under the Transaction Documents and share the copy of such approvals with the Purchaser.
 2. The Company shall have obtained a valuation certificate (a new certificate shall have been obtained prior to the relevant Closing Date, if required by Applicable Law at that point in time) from a registered valuer registered under the section 247 of the Companies Act, 2014 or chartered accountant or merchant banker registered with the Securities Exchange Board of India stating the fair value of the Sale Shares calculated in accordance with any internationally accepted pricing methodology for valuation of shares on an arm's length basis in accordance with applicable Foreign Exchange Management Act, 1999 and copy of the valuation certificate having been provided to the Purchasers.
 3. The Sellers and/or Company shall have prior to Closing Date intimated or taken an approval (as the case maybe) to/ from banks, lenders, other authorities, parties (pursuant to any contract, arrangements, agreements, or any documents), customers and stakeholders about the change in management and authorized signatories of the Company.
 4. The Sellers shall have caused the Company to maintain Structured Digital Database (SDD) in accordance with regulation 5(c) sub-regulation (6) of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and shall ensure updating of its status into Prohibition of Insider Trading Complaint.
 5. The Sellers shall have caused the Company to ensure recovery of all of its outstanding loans, advances from the debtors and trade receivables of the Company.
 6. The Sellers hereby agree and undertake to provide timely information, data, standard certificate and undertaking required for the purpose of disclosures under the letter of offer and such other documents as prescribed under Applicable Laws including Securities Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011.
- B. The Sellers are fully entitled and authorized to sell and transfer the entire Sale Share in the manner and on the terms and conditions contained in this Agreement and the Sale Shares have been duly authorized and validly allotted by the Company and are fully paid-up.
- C. Until the closing of the transaction as contemplated under the SPA or termination of the SPA, the Sellers and the Target Company are subject to customary standstill covenants. The SPA also contains customary terms and conditions such as representation and warranties, indemnities etc.
- D. The Agreement shall terminate automatically without any further action from any of the Parties, if the Conditions Precedent are not satisfied/waived on the Long Stop Date. and the Agreement may be terminated by mutual consent of all the Parties at any time prior to Long Stop Date.

Further, the Acquirers and the Target Company have entered into Share Subscription Agreement (SSA) dated May 14, 2025 for an acquisition of 15,00,000 (Fifteen Lakhs) Equity shares by way of Preferential Allotment

representing 17.09% of the Expanded Share Capital. The Board of Directors of the Target Company vide a Board Resolution on May 14, 2025 have authorized the issuance and allotment of 37,75,000 (Thirty Seven Lakhs Seventy Five Thousand) Equity Shares at a price of ₹ 10/- (Rupees Ten) per Equity Share to the Acquirers and other members of the public out of which 15,00,000 (Fifteen Lakhs) Equity shares are being allotted to the Acquirers for an aggregate consideration of ₹ 1,50,00,000 (Rupees One crore and fifty lakhs only) 22,75,000 (Twenty-two Lakhs Seventy Five Thousand) Equity Shares to other Public investors by way of a preferential allotment ("Preferential Allotment") subject to the approval of the Shareholders and receipt of other statutory approvals in compliance with the provisions of the Companies Act, 2013 ("Act") and Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto ("SEBI ICDR Regulations, 2018"). The consent of the members of the Target Company for the proposed preferential allotment is being sought through the issuance of postal ballot notice dated May 15, 2025, the results of which will be declared on June 14, 2025.

Salient Features of Share Subscription Agreement

The SSA sets forth the terms and conditions agreed between the Acquirers and Target Company and their respective rights and obligations:

- A. The obligation of the Acquirers to acquire the subscription of shares under the Preferential Allotment is subject to the fulfilment of the conditions precedent as specified under the SSA to the satisfaction of the Acquirers (unless waived by the Acquirer, subject to applicable law), including the following conditions precedent:
 7. That the Acquirers is financially responsible, able to meet all the obligations hereunder, and acknowledges that the investment will be long term and is speculative in nature.
 8. The Target Company hereby represents that the Subscription Shares allotted under this Agreement, will be duly authorized and validly issued under the applicable laws including in particular in accordance the SEBI approval, and shall be free and clear of any and all Encumbrances.
 9. No action, suit, proceeding, claim, arbitration or investigation have been brought by any person and no inquiry having been brought by any governmental authority, in each case, seeking to restrain or prohibit the consummation of the transaction under the Transaction Documents.
 10. The Target Company shall obtain the 'in-principle' approval from the BSE Limited ("BSE") for listing of the Equity Shares to be allotted to the Acquirers as part of the Preferential Allotment, and delivered to the Acquirers, a certified true copy of the resolutions passed at the general meeting of the shareholders of the Target Company approving, amongst other things, the proposed issuance and allotment of Equity Shares to be allotted to the Acquirers.
- B. The Target Company agrees and undertakes that the Target Company shall utilize the proceeds of the Investment Amount for the purpose of opening new retail stores and for working capital requirements and general corporate purposes and for any other purpose as may be approved by the shareholders of the Company.

3.1.2 A tabular summary of the transaction ("Underlying Transaction") which has triggered the Open Offer obligations.

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 (VR) acquired (in ₹)	Mode of payment (Cash / Securities)	Regulation which has triggered
		Number	% vis a vis total Equity / Share Capital			

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 (VR) acquired (in ₹)	Mode of payment (Cash / Securities)	Regulation which has triggered
		Number	% vis a vis total Equity / Share Capital			
Direct Acquisition	Share Purchase Agreement (SPA) dated May 14, 2025 executed between the Acquirers, the Sellers and the Target Company, subject to and in accordance with the terms and conditions contained in the SPA.	30,00,000	60.00% of the Existing Capital and 34.19% of the Expanded Share Capital	3,00,00,000/-	Cash	Regulations 3(1) and 4 of the SEBI (SAST) Regulations
Direct Acquisition	Share Subscription Agreement (SSA) The Board of Directors of the Target Company vide a Board Resolution on May 14, 2025 have authorized the issuance and allotment of 37,75,00,000 (Thirty Seven Lakhs Seventy Five Thousand) Equity Shares at a price of ₹ 10/- (Rupees ten) per Equity Share to the Acquirers and other members of the public out of which 15,00,000 (Fifteen Lakhs) Equity shares are being allotted to the Acquirers by way of a preferential allotment, for an aggregate consideration of ₹ 1,50,00,000 (Rupees One crore and fifty lakhs only) ("Preferential Allotment") subject to the approval of the Shareholders and receipt of other statutory approvals	15,00,000	17.09% of the Expanded Share Capital	1,50,00,000/-	Cash	

3.1.3 The offer price payable in cash by the Acquirers is in accordance with the provisions of Regulation 9(1) (a) of SEBI (SAST) Regulation, 2011 and subject to terms and condition set out in this DLOF and the Letter of Offer that will be dispatched to the public shareholders in accordance with the provisions of SEBI (SAST) Regulation, 2011.

3.1.4 As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, 2011, the Board of the Target Company is required to constitute a committee of Independent Directors, to provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two

working days before the commencement of the Tendering Period in the same newspapers where the DPS is published. A copy of the above shall be sent to SEBI, BSE and the Target Company and in case of a competing offer/s to the Manager/s to the Open Offer for every competing Offer.

3.1.5 Upon acquisition of Equity Shares as contemplated in the Agreements, the Acquirers will acquire control over the Target Company and the Acquirers shall become the promoters of the Target Company subject to in accordance and compliance with the provisions of the SEBI (LODR) Regulations and the existing promoter and members of the promoter group shall be declassified from the “promoter and promoter group” category of the Target Company to public subject to receipt of necessary approvals required in terms of Regulation 31A of the SEBI (LODR) Regulations and satisfaction of the conditions prescribed therein.

3.1.6 The prime object of this Offer is to acquire substantial Equity Shares and Expanded Share Capital accompanied by control over the Target Company. The Acquirers intend to expand the Target Company’s business activities by carrying on additional business for commercial reasons and operational efficiencies. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with applicable laws.

3.1.7 The Offer is not a result of global acquisition resulting in indirect acquisition of the Target Company.

3.2 Details of the Offer

3.2.1 The PA announcing the Open Offer, under Regulations 3(1) and 4 read with Regulation 15(1) of the SEBI (SAST) Regulations, was filed with the Stock Exchanges and SEBI on May 14, 2025, and a copy thereof was also sent to the Target Company at its registered office in compliance with Regulations 14(1) and 14(2) of the SEBI (SAST) Regulations. The PA is available on the website of SEBI at www.sebi.gov.in.

3.2.2 In accordance with Regulation 14(3) of SEBI (SAST) Regulations, the DPS was published in the following newspapers on May 21, 2025:

Newspapers	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mahasagar	Marathi	Nagpur Edition ⁽¹⁾
Mumbai Lakshadeep	Marathi	Mumbai Edition ⁽²⁾

⁽¹⁾ Marathi, being the regional language at Nagpur, i.e., the place where the registered office of the Target Company is situated.

⁽²⁾ Marathi, being the regional language at Mumbai, i.e., the place of the stock exchange where the maximum volume of trading in the Equity Shares was recorded during the 60 (sixty) trading days preceding the date of this Public Announcement.

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on May 21, 2025. The DPS is also available on the website of SEBI at www.sebi.gov.in

3.2.3 This Open Offer is mandatory offer made by the Acquirers in terms of Regulations 3(1) and 4 read with other applicable regulations of the SEBI (SAST) Regulations, pursuant to the proposed substantial acquisition of shares, voting rights and control over the Target Company by the Acquirers, as described below. Upon the completion of Underlying Transaction, the Acquirers will acquire: (a) more than 25% (twenty five percent) of the equity share capital and voting rights of the Target Company; and (b) control of the Target Company.

3.2.4 This Open Offer is made by the Acquirers to all the eligible Public Shareholders of the Target Company for acquisition of up to 22,81,500 Equity Shares representing 26% (of the Expanded Share Capital of the Target Company (“Offer Size”) at a price of ₹ 10.00 per Equity Share (“Offer Price”) payable in cash aggregating to a total consideration of upto ₹ 2,28,15,000 (“Maximum Consideration”) and subject to the receipt of statutory approval and the terms and conditions set out in the PA, DPS and the Draft Letter of Offer (“DLOF”) and in accordance with SEBI (SAST) Regulations.

3.2.5 The Expanded Share Capital of the Target Company as of the 10th (tenth) Working Day from the closure of the Tendering Period is computed as per the table below:

Particulars	Issued and paid-up Equity Shares
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Particulars	Issued and paid-up Equity Shares
Fully paid-up Equity Shares	50,00,000
Partly paid-up Equity Shares	Nil
Employee stock options vested or which shall vest prior to the 10th (tenth) working day from the closure of the tendering period, i.e., June 20, 2025	NA
Other securities convertible into Equity Shares	Nil
Equity shares proposed to be allotted under the Preferential Allotment	37,75,000
Expanded Share Capital	87,75,000

- 3.2.6 As of the date of this DLOF, there are no partly paid-up equity shares and there are no other outstanding convertible instruments issued by the Target Company.
- 3.2.7 If the number of Equity Shares validly tendered by the Public Shareholders under the Open Offer is more than the Offer Size, the Acquirers shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.
- 3.2.8 To the best of the knowledge and belief of the Acquirers, as on the date of this DLOF, there are no statutory or other approvals required to implement the Offer and transactions as envisaged under the SPA and SSA other than as indicated in Section VI of this DLOF. If any other statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are not granted/refused for any reason outside the reasonable control of the Acquirer, the Acquirers shall have the right to withdraw this Offer in terms of Regulation 23 of the SEBI SAST Regulations. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days (“Working Day” has the meaning ascribed to it under Regulation 2(1)(zf) of the SEBI (SAST) Regulations) of such withdrawal, in the same newspapers in which the DPS has been published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.
- 3.2.9 Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer.
- 3.2.10 The Equity Shares of the Target Company to be acquired by the Acquirers shall be fully paid-up, free from all lien, charges and encumbrances and together with all the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof and the tendering Public Shareholders shall have obtained all necessary consents required by them to sell the Equity Shares on the foregoing basis.
- 3.2.11 This Offer is not conditional upon any minimum level of acceptance by the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 3.2.12 This is not a competitive offer in terms of Regulation 20 of SEBI (SAST) Regulations.
- 3.2.13 All Public Shareholders, including non-resident holders (NRIs, OCBs and FIIs) of the Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the RBI, or any regulatory body) and submit such approvals, along with the other documents required to accept this Open Offer. In the event such approvals are not submitted, the Acquirers reserve the right to reject such Equity Shares tendered in this Open Offer. Further, if the holders of the Equity Shares who are not person resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirers reserves the right to reject such Offer Shares.
- 3.2.14 The Manager to the Offer does not hold any Equity Shares in the Target Company as on the date of this DLOF. The Manager to the Offer further declares and undertakes, that it shall not deal in the Equity Shares of the Target Company during the period commencing from the date of its appointment as Manager to the Offer till the expiry of 15 days from the date of closure of this Open Offer.

- 3.2.15 There are no directions subsisting or proceedings pending against the Manager to the Open Offer under SEBI Act, 1992 and regulations made there under, also by any other Regulator.
- 3.2.16 There are no penalties levied by SEBI / RBI or other regulator against the Manager to the offer and RTA.
- 3.2.17 No complaint has been received by merchant banker in relation to the open offer.
- 3.2.18 There are no regulatory actions / administrative warnings / directions subsisting or proceedings pending against the Manager to the Open Offer and RTA under SEBI Act, 1992 and Regulations made there under or by any other Regulator.
- 3.2.19 As on the date of this DLOF, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirers do not have any intention to alienate, whether by way of sale, lease, encumber or otherwise, any material assets of the Target Company, during the period of 2 (two) years from the completion of the Offer, except:
- a. in the ordinary course of business;
 - b. to the extent required for the purpose of restructuring, rationalization and/or streamlining their holding in the Target Company or the holding of the Target Company in its subsidiaries, if any, and/or the operations, business, assets, investments, liabilities or otherwise of the Target Company or its subsidiaries, if any, through arrangements, reconstructions, mergers, demergers, sale of assets or undertakings, and/or negotiation or re-negotiation or termination of existing contractual arrangements, which decisions shall be taken as per the procedures set out in the applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances from time to time;
 - c. any assets which may not be considered necessary for the operation of the Target Company, which may not be utilised by Target Company and/or are not in line with the business requirements or future expansion plan of the Target Company;
 - d. 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 or its subsidiaries, if any; or
 - e. as has already been disclosed in the public domain.
- 3.2.20 Other than the above, if the Acquirers intends to alienate any material asset of the Target Company outside the ordinary course of business within a period of 2 years from completion of the Offer, the Target Company shall seek the approval of its shareholders as per proviso to Regulation 25(2) of the SEBI (SAST) Regulations, to the extent applicable.
- 3.2.21 Upon completion of the Open Offer, Acquirers shall be categorized as promoters of the Target Company, in accordance with Regulation 31A(5) of SEBI LODR, 2015.
- 3.2.22 As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), the Target Company is required to maintain at least 25% public shareholding as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this underlying transaction and Open Offer, the public shareholding in the Target Company may fall below the minimum public shareholding requirement as per Rule 19A of the Securities Contracts (Regulation) Rules, 1957 ("SCRR") read with the SEBI (LODR) Regulations. In such an event, the Acquirers shall undertake such actions within the timelines specified under the SCRR, as deemed appropriate, to meet the minimum public shareholding requirements specified under SCRR.
- 3.2.23 If the Acquirers acquires Equity Shares of the Target Company during the period of 26 (Twenty-Six) weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in the Offer within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid if such an acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to the Delisting Regulations, or open market purchases made in the ordinary course on the stock exchange, not being a negotiated acquisition of shares of the Target Company in any form.

3.2.24 The Acquirers have not acquired any Equity Shares from the date of the Public Announcement to the date of this Draft Letter of Offer. The Acquirers shall disclose during the Offer Period any acquisitions made by the Acquirers of any Equity Shares of the Target Company in the prescribed form, to each of the Stock Exchange and to the Target Company at its registered office within 24 (twenty-four) hours of such acquisition, in accordance with Regulation 18(6) of the SEBI SAST Regulations.

3.3 Object of the Offer:

- 3.3.1 The Acquirers shall achieve substantial acquisition of Equity Shares and voting capital, accompanied with effective management control over the Target Company after completion of acquisition of the Shares under SPA and the Open Offer.
- 3.3.2 The prime object of this acquisition is to acquire management control of the Target Company. Upon successful completion of open offer, Acquirers shall achieve substantial acquisition of Equity Shares and voting capital and intending to acquire control over Target Company in terms of Regulation 4 of SEBI (SAST) Regulations, 2011 and will be identified as part of Promoter and Promoter group of the Target Company.
- 3.3.3 The Acquirers intend to expand the Target Company's business activities by carrying on additional business for commercial reasons and operational efficiencies. The Acquirers reserves the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with applicable laws. However, no firm decision in this regard has been taken or proposed so far.
- 3.3.4 The Acquirers may at its discretion seek to effect changes to the Board of Directors of the Target Company, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the LODR Regulations and Regulation 24 of the SEBI SAST Regulations).
- 3.3.5 The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of HGIL in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

4. BACKGROUND OF THE ACQUIRERS:

The details of the Acquirers are as follows:

4.1 Acquirer-1: Shaju Thomas:

1. Mr. Shaju Thomas S/o Mr. Thomas George, aged about 47 years is a resident Indian currently residing at 13/219, Thurutheth House, Poomthottam, Pathiriyal, Pathiriyal, Thiruvalli, Malappuram, Kerala – 676123, India ; Tel. No. +91 9373126605; Email: hgil.ngp@gmail.com.
2. Acquirer- holds a Permanent Account Number (PAN) ADJPT2064M.
3. Shaju Thomas holds a Bachelors of Arts Degree and a Postgraduate Diploma in Communication, Journalism, Public Relations, Electronic Media and D.T.P Literacy from Institute of Communication and Journalism, Calicut Press Club, Kozhikode. With over a decade of experience in the kidswear industry, he brings expertise and insight into the field of children's wear.
4. As on the date of this DLOF, Acquirer 1 does not hold any Equity Shares or voting rights of the Target Company. Acquirer 1 has not acquired any Equity Shares or voting rights of the Target Company between the date of the PA i.e., May 14, 2025, and the date of this DLOF.
5. Acquirer 1 does not hold any interest in the Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to SPA Agreement and Preferential Allotment.

6. There is no direct or indirect relationship between Acquirer 1 and Sellers. Further, upon consummation of the underlying transaction, Acquirer 1 will become a Promoter of the Target Company.
7. Acquirer 1 is part of the Popees group.
8. The Networth of Acquirer 1 is ₹ 9,503.87 Lakhs as on May 14, 2025, as certified by way of a certificate dated May 14, 2025, issued by Jimmy Thomas & Co Chartered Accountants through its Proprietor, CA Jimmy Thomas, (Membership No.: 218801) having their office at 11 nd Floor, Koothrat Tower, Court Road, Manjeri, Malappuram District—676 121, Kerala, India Mobile Number: +91- 9895880044, E mail: cajimmythomas@yahoo.co.in; vide certificate dated May 14, 2025, bearing Unique Document Identification Number (UDIN) – 25218801BMMJWR6072.
9. Acquirer-1 hereby confirms and declares that he is not declared as ‘Fraudulent Borrower’ by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.
10. Details of the Companies / LLP’s in which Acquirer-1 is director /partner is tabled as below:

Name of Company / LLP	Designation	Shareholding (%)	CIN / LLPIN
Popees Cares Limited	Whole-time Director	16.22	L17120TN1994PLC029226
Popees Fashions India Private Limited	Director	99.93	U19202KL2017PTC050841
Pomees Fashions Private Limited	Director	35.92	U17299KL2020PTC063955
Seataal Properties Private Limited	Director	50.00	U70200KL2017PTC048673
Ourkids Media Private Limited	Director	62.33	U22120KL2013PTC034097
Popees Baby Care Products Private Limited	Director	69.75	U51900KL2016PTC045955

11. As on the date of this DLOF, Acquirer 1 is not classified as a ‘wilful defaulter’ in terms of Regulation 2(1) (ze) of the Takeover Regulations and has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11 or section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
12. Acquirer 1 is not a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018.
13. Acquirer 1 is not a director and does not have any representation on the Board of Directors of the Target Company as on the date of this DLOF.

4.2 Acquirer-2: Mrs. Linta Purayidathil Jose:

1. Mrs. Linta Purayidathil Jose D/o Mr. Joseph, aged about 41 is a resident Indian currently residing at 13/219, Thurutheth House, Poomthottam, Pathiriyal, Pathiriyal, Thiruvalli, Malappuram, Kerala – 676123, India; Tel. No. +91 9373126605; Email: hgil.ngp@gmail.com.
2. She has completed her Bachelors of Arts in Economics from Calicut University. Linta P. Jose has over a decade of experience in the kids wear manufacturing industry.
3. Acquirer-2 holds a Permanent Account Number (PAN) ADJPL9147P.
4. As on the date of the DLOF Acquirer 2 does not hold any Equity Shares or voting rights of the Target Company. Acquirer 2 has not acquired any Equity Shares or voting rights of the Target Company between the date of the PA i.e.; May 14, 2025 and the date of this DLOF.
5. Acquirer 2 does not hold any interest in the Target Company, save and except the proposed shareholding to be acquired in the Target Company pursuant to SPA / and Preferential Allotment.

6. There is no direct or indirect relationship between Acquirer 2 and Sellers. Further, upon consummation of the underlying transaction, the Acquirer 2 will become a Promoter of the Target Company.
7. Acquirer 2 is a part of the Popees Group.
8. The Networth of Acquirer 2 is ₹4,134.09 Lakhs as on May 14, 2025 certified by way of a certificate dated May 14, 2025 issued by Jimmy Thomas & Co Chartered Accountants through Proprietor, CA Jimmy Thomas, (Membership No.: 218801) having their office at 11 nd Floor, Koothrat Tower, Court Road, Manjeri, Malappuram District—676 121, Kerala, India Mobile Number: +91- 9895880044, E mail: cajimmythomas@yahoo.co.in; vide certificate dated May 14, 2025, bearing Unique Document Identification Number (UDIN) - 25218801BMMJWQ7300
9. Acquirer-2 hereby confirms and declares that she is not declared as 'Fraudulent Borrower' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 01, 2016.

10. Details of the Companies / LLP's in which Acquirer-2 is director /partner is tabled as below:

Name of Company / LLP	Designation	Shareholding (%)	CIN / LLPIN
Popees Cares Limited	Whole-time Director	5.41	L17120TN1994PLC029226
Popees Fashions India Private Limited	Director	0.07	U19202KL2017PTC050841
Seataal Properties Private Limited	Director	50.00	U70200KL2017PTC048673
Esthana Designs (OpC) Private Limited	Managing Director	100.00	U17299KL2020OPC064987
Pomees Fashions Private Limited	Director	65.08	U17299KL2020PTC063955
Ourkids Media Private Limited	Director	32.46	U22120KL2013PTC034097
Popees Baby Care Products Private Limited	Director	0.74	U51900KL2016PTC045955

11. As on the date of this DLOF, Acquirer 2 is not categorized as a 'wilful defaulter' in terms of Regulation 2(1)(ze) of the Takeover Regulations and has not been prohibited by SEBI from dealing in securities in terms of directions issued under section 11 or section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
12. Acquirer 2 is not a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.
13. Acquirer 2 is not a director and does not have any representation on the Board of Directors of the Target Company as on the date of this DLOF.

4.3 Joint Undertakings / Confirmation by the Acquirers

1. There are no pending litigations pertaining to the securities market where they are made party to, as on the date of this DLOF
2. The Acquirers undertake that they will not sell the equity shares of the Target Company, if any held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.
3. The Acquirers undertake that if they acquire any further Equity Shares of the Target Company during the Offer Period, they will inform the Stock Exchange and the Target Company within twenty-four hours of such acquisition.
4. The Acquirers will not acquire or sell any Equity Shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the expiry of the Tendering Period in accordance with Regulation 18(6) of the SEBI (SAST) Regulations, 2011.
5. They are related as husband and wife.

6. The Acquirers do not hold any shares of the Target Company and hence compliance w.r.t. Chapter V of the Takeover Regulations, 2011 in respect of acquisition of Equity Shares in the Target Company are not applicable to Acquirer.
7. Acquirers do not have any relationship / association with the Target Company / its existing Promoters / Sellers / public shareholders of Target Company.
8. No statutory approvals pending / required to be obtained by Acquirers.
9. There is no loan given by Acquirers or any of its relative to the Target Company / its existing promoters / sellers / related entity or person.

5. DETAILS OF THE SELLERS

(The disclosure mentioned under this section has been sourced from information provided by the Selling Shareholders)

- 5.1 The details of the Selling Promoter Shareholders who have entered into the Share Purchase Agreement with the Acquirers, are as follows:

Name of the Seller	Details of change in the name in the past (if applicable)	Residential Address	Nature of entity	Group	Part of Promoter / Promoter Group of Target company	Details of Shares/Voting Rights held by the Selling Shareholders			
						Pre-Share Purchase Agreement Transaction		Post-Share Purchase Agreement Transaction	
						No. of Equity Shares	% of Existing Share Capital	No. of Equity Shares	% of Expanded Share Capital
Jugalkishore Maniyar HUF (Seller 1)	NA	125, Wardhman Nagar Nr Radhakrishna Mandir, Nagpur, Maharashtra, 440008	Individual	None	Yes	18,75,000	37.50%	7,50,000	8.55%
Sunita Maniyar (Seller 2)	NA	125, Wardhman Nagar Nr Radhakrishna Mandir, Nagpur, Maharashtra, 440008	Individual	None	Yes	18,75,000	37.50%	NIL	NIL

- 5.2 Upon completion of the Offer formalities, the Selling Promoter Shareholder (Seller 1) will hold 7,50,000 Equity Shares in the Target Company. The existing Promoters will transfer control and management of the Target Company to the Acquirers and submit an application for declassification from the 'Promoter and Promoter Group' categories, in accordance with Regulation 31A of the SEBI (LODR) Regulations.
- 5.3 The Sellers have confirmed that they have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act.
- 5.4 The Sellers do not belong to any Group.

6. BACKGROUND OF THE TARGET COMPANY

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

- 6.1 Hari Govind International Limited (“HGIL” / “Target Company”) was incorporated on January 31, 1989 under the Companies Act, 1956 in the name and style of “Hari Govind International Limited” and registered with the Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number (CIN) of the Target Company is L99999MH1989PLC0505283837. The Registered office of HGIL is presently situated at 125, Wardhman Nagar Nr. Radha Krishna Mandir, Nagpur, Maharashtra, India, 440008; **Phone No.:** +91 9373126605; **Email id:** hgil.ngp@gmail.com; **Website:** www.hgil.in. There have been no changes in the name of the Target Company in the last 3 (three) years. The Target Company is presently known as Hari Govind International Limited.
- 6.2 The Authorized Capital of Hari Govind International Limited (HGIL) is ₹ 525.00 Lakhs divided into 52,50,000 Equity Shares of Face Value of ₹ 10/- each. The Issued, Subscribed and Paid-up capital of HGIL is Rs. 500.00 Lacs divided into **50,00,000** Equity Shares of Face Value of ₹ 10/- each. The ISIN of HGIL is INE167F01018. HGIL has established its connectivity with both the National Securities Depository Limited and Central Depository Services (India) Limited.
- 6.3 Target company is primarily engaged in the business of manufacturing and trading of textile products.
- 6.4 The Target Company does not have any subsidiaries.
- 6.5 The Promoters of the Company are Jugalkishore Maniyar HUF and Sunita Maniyar (Source: www.bseindia.com)
- 6.6 As on date of the DLOF, there are no: (i) partly paid Equity Shares; (ii) none of the shares are locked-in and (iii) there are no outstanding convertible securities which are convertible into Equity Shares (such as depository receipts, fully convertible debentures, warrants, or employee stock options), issued by the Target Company.
- 6.7 The Equity Shares of the Target Company are presently listed on BSE. The ISIN of Equity Share of the Target Company is INE167F01018. The Equity Shares of the Target Company are infrequently traded on the exchanges within the meaning of explanation provided in Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 6.8 As on the date of this DLOF, the Shares of Target Company are not suspended from trading from BSE. As confirmed by Target Company, it has complied with the requirements of the Listing Agreement with BSE as well as SEBI (LODR) Regulations, 2015 and as on date no penal action has been initiated by the BSE. However, the shares of the Target Company were suspended for non-compliance of Listing Agreement and BSE vide its notice dated July 16, 2013 revoked the suspension of trading of Equity Shares w.e.f. July 22, 2013.
- 6.9 As on date of this DLOF, the Board of Directors of HGIL are as follows:

Name	Designation	DIN	Date of appointment in Target Company
Jugalkishore Harikishan Maniyar	Whole-time director & Chairman	00094237	31/12/2004
Sunita Jugalkishore Maniyar	Non-Executive Director	01796143	29/04/1999
Aruna Mahesh Menkudale	Non-Executive Independent Director	10204791	26/06/2023
Reveesh Moolamkuzhiyil Varghese	Additional Director*	07671512	14/05/2025
Rishin Rasheed	Additional Director*	09801238	14/05/2025
Aneesh Kumar Kuniyil	Additional Director*	11093470	14/05/2025

**Their appointment is subject to the approval of the shareholders through postal ballot e-voting whose results are to be announced on June 13, 2025.*

- 6.10 As on the date of the Draft Letter of Offer, there are no directors representing the Acquirers on the Board of Directors the Target Company.

- 6.11 Target Company has confirmed that neither the Company nor its promoters are categorized as a willful defaulter or fugitive economic offender
- 6.12 There has been no merger / demerger or spin off involving HGIL during the last 3 years.
- 6.13 The Target Company confirms that there are no directions subsisting or proceedings pending against the Company under the SEBI Act and the regulations made thereunder, also by any other regulator and no other statutory approval is pending as on date this Letter of Offer. The Target Company further confirms that no penalty has been levied or any directions are subsisting against the Target Company and its directors, by any regulatory authority, as on date of this Letter of Offer.
- 6.14 There have been no Open Offers in the past in the Target Company
- 6.15 As on date of this DLOF, no SCN has been issued against the Target Company which will impact the Open Offer.
- 6.16 The Target company is not registered under any other act or statute or with any regulator, requiring their approval.
- 6.17 There are no outstanding shares of the Target Company that have been issued but not listed on BSE.
- 6.18 Brief financial information of Target Company extracted from its unaudited reviewed financial statements as of and for the nine - month period ended December 31, 2024 and audited financial statement for the financial years ended on March 31, 2024, March 31, 2023 and March 31, 2022, is as set out below:

(Rs. in Lacs)

Particulars	Year to date 31-Dec-2024	F.Y.2023-24	F.Y.2022-23	F.Y.2021-22
Income from Operations	Nil	Nil	Nil	Nil
Other Income	Nil	Nil	Nil	Nil
Total Income	Nil	Nil	Nil	Nil
Total Expenditure (Excluding Depreciation Interest & Tax)	3.08	9.80	11.00	6.20
Profit before Depreciation Interest & Tax	(3.08)	(9.80)	(11.00)	(6.20)
Depreciation	Nil	Nil	Nil	Nil
Interest	Nil	Nil	Nil	Nil
Profit Before Tax	(3.08)	(9.80)	(11.00)	(6.20)
Provision for Tax	Nil	Nil	Nil	Nil
Other Comprehensive Income	Nil	Nil	Nil	Nil
Profit After Tax	(3.08)	(9.80)	(11.00)	(6.20)

(Rs. in Lacs)

Particulars	Year to date 31-Dec-2024	F.Y.2023-24	F.Y.2022-23	F.Y.2021-22
Sources of funds				
Paid up share capital	500.00	500.00	500.00	500.00
Reserves & Surplus (excluding revaluation reserve)	NA	(154.00)	(143.00)	(132.25)
Networth*	NA	346.00	357.00	367.75
Secured Loans	NA	Nil	Nil	Nil
Unsecured Loans	NA	2.00	1.00	0.67
Other Non- Current Liabilities	NA	179.00	172.00	95.14
Total	NA	527.00	530.00	463.56
Uses of funds				
Net fixed assets	NA	Nil	Nil	Nil
Investments	NA	20.00	20.00	19.82
Other Non- Current Assets	NA	465.00	465.00	412.18
Net current assets	NA	42.00	45.00	31.57
Total miscellaneous expenditure not	NA	Nil	Nil	Nil

Particulars	Year to date 31-Dec-2024	F.Y.2023-24	F.Y.2022-23	F.Y.2021-22
written off				
Total	NA	527.00	530.00	463.56
Other Financial Data	NA	Nil	Nil	Nil
Dividend (%)	NA	Nil	Nil	Nil
Earning Per Share (Basic and diluted)	(0.01)	(0.00)	(0.00)	(0.12)
Return on Networth (%)	-	(2.83)	(3.08)	(1.68)
Book Value per share	-	6.92	7.14	7.35

Source: Certificate dated May 27, 2025 issued by C.V. Paturkar & Co. and Annual Report of the Company / www.bseindia.com

6.19 The Shareholding pattern of the HGIL, as on the date of DLOF is as follows:

Shareholder Category	Number of Equity Shares of the Target Company	Percentage of Equity Share Capital (%)
Promoter	37,50,000	75.00%
Public	12,50,000	25.00%
Total	50,00,000	100.00%

6.20 The current capital structure of the Company has been built up since inception, are as under:

Date of Allotment	Shares Issued		Cumulative paid-up capital		Mode of Allotment
	No.	% to total Share Capital	No. of Shares	% to total Share Capital	
Incorporation	800	0.02	800	0.02	As per subscriber of MOA
31-07-1989	354200	7.08	355000	7.10	Further issue of Shares
31-07-1989	35000	0.70	390000	7.80	Further issue of Shares
30-06-1994	484200	9.68	874200	17.48	Issue of Bonus Share
30-06-1994	1660800	33.22	2535000	50.70	Issue of Bonus Share
19-08-1995	565000	11.30	3100000	62.00	Further issue of Shares
1996	650000	13.00	3750000	75.00	IPO - Promoter
1996	1250000	25.00	5000000	100.00	IPO - Public
Total	5000000	100.00			

Source: Certificate dated May 19, 2025 issued by SPSN AND ASSOCIATES, Company Secretary in Practice, who have carried out a search of the records of the Registrar of Companies, Mumbai at Maharashtra ("RoC"), available on the website of the Ministry of Corporate Affairs ("MCA") at www.mca.gov.in (hereinafter known as "MCA Website"), for inspection on 30th April 2025 (SRN of Inspection is O01041748) and for physical documents at 2nd Floor, A Wing, CGO Complex, CBD Belapur, Navi Mumbai which were available on 2 May 2025 (SRN of Inspection is O01117506) with respect to the particulars of the available forms filed by **Hari Govind International Limited** (CIN: L99999MH1989PLC050528) with the RoC since its incorporation till 2 May 2025 ("Review Period"). Based on the public documents made available on the MCA Website

6.21 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No.	Shareholder category	Shareholding & voting rights prior to the agreement / acquisition and offer (A)		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulation		Shares/Voting rights to be acquired in the open offer (assuming full acceptances) (D)		Shareholding/voting rights after the acquisition and Offer	
		No.	% ⁽¹⁾	No.	% ⁽²⁾	No.	% ⁽²⁾	No.	% ⁽²⁾
1.	Promoter and Promoter Group								
	a. Parties to Agreement								
	Jugal Kishore Maniyar (Seller-1)	18,75,000	37.50	(11,25,000)	(12.82) %	NIL	NIL	7,50,000	8.55%
	Sunita Maniyar (Seller-2)	18,75,000	37.50	(18,75,000)	(21.37) %	NIL	NIL	NIL	NIL
2.	Acquirers								
	Shaju Thomas (Acquirer-1)	NIL	NIL	35,00,000	39.89%	17,74,500	20.22%	52,74,500	60.11%
	Lintu Jose (Acquirer-2)	NIL	NIL	10,00,000	11.40%	5,07,000	5.78%	15,07,000	17.17%
3	Public Category	12,50,000	25%	22,75,000	25.93%	(22,81,500)	(26.00) %	12,43,500	14.17%
	Total	50,00,000	100%	37,75,000	43.02%	NIL	NIL	87,75,000	100.00

Notes:

1. Calculated as a percentage of the current equity share capital of the Target Company, i.e., 50,00,000 Equity Shares.
2. Calculated as a percentage of the Expanded Share Capital, which includes the 87,75,000 Subscription Shares.
3. Post completion of all the Open Offer formalities, the Seller and other members of the promoter group shall cease to be the Promoters of the Target Company and the Acquirers shall, by virtue of the Open Offer, be classified as Promoters of the Target Company, as per Regulation 31A of SEBI LODR Regulations. Upon the completion of the Open Offer, the Acquirers shall be classified as a 'promoter' in accordance with the terms of SEBI LODR Regulations and conditions prescribed therein. Further, the Seller (i.e., the other existing promoters) shall be re-classified from 'promoters or promoter group' to 'public', subject to receipt of necessary approvals required in terms of the SEBI LODR Regulations.
4. As per Regulation 38 of the SEBI (LODR) Regulations read with Rules 19(2) and 19A of the SCRR, the Target Company is required to maintain at least 25.00% 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 Open Offer, pursuant to the Share Purchase Agreement and/or during the Offer period (if any), the public shareholding in the Target Company falls below the minimum level required as per Rule 19A of the SCRR, the Acquirers will ensure that the Target Company satisfies the minimum public shareholding set out in Rule 19A of the SCRR in compliance with applicable laws, and in a manner acceptable to the Acquirer.

6.22 The number of Shareholders in Target Company in public category is 83 as on March 31, 2025. As on date of this DLOF, there are no depository receipts of shares issued in foreign countries.

6.23 The below table set forth status of annual disclosure with respect to Regulation 30(1) and 30 (2) by the promoters and the Target Company to the stock exchanges and Regulation 31(4) of SEBI (SAST) Regulations:

Sl. No.	Financial Year	SAST Regulation, 2011	Due Date for compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in No. of days) Col. 4-Col. 3	Status Of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7	8
1.	FY 2014 – 15 to FY 2018-19	31(4)	It was not applicable to file annually.				
2.	FY 2019-20	31(4)	As confirmed by the Target Company, documents related to Regulation 31(4) for the financial year could not be traced.				
3.	FY 2020-21	31(4)					
4.	FY 2021-22	31(4)					
5.	FY 2022-23	31(4)					
6.	FY 2023-24	31(4)	10.04.2024	We have received a copy of letter from Target Company dated January 30, 2025, however it is unascertainable to trace filing date with BSE Ltd.			
7.	FY 2024-25	31(4)	09.04.2025	Not filed with the exchange			
8.	FY 2014 – 15 to FY 2024 - 25	29(1) & 29(2)	Since, there has been no acquisition of shares or voting rights no intimation to the stock exchange has been done.				
9.	FY 2014 – 15 to FY 2016-17	30(1) / 30(2)	As confirmed by the Target Company, documents related to Regulation 31(4) for the financial year 2014 to 2017 could not be traced. However, the same is reflecting on the BSE website under the tab SAST Annual Disclosure.				
10.	FY 2017-18	30(1) / 30(2)	31.03.2018	06.04.2019	-	Complied	We have relied on the BSE Acknowledgment copy
11.	FY 2018-19	30(1) / 30(2)	31.03.2019	08.04.2019	-	Complied	We have relied on the BSE Acknowledgment copy
12.	FY 2019-20 to FY 2020-21	30(1) / 30(2)	As confirmed by the Target Company, documents related to Regulation 31(4) for the financial year 2014 to 2017 could not be traced. However, the same is reflecting on the BSE website under the tab SAST Annual Disclosure.				
13.	FY 2021-22 to FY 2024-25	30(2)	31.03.2022	The Regulation have been omitted w.e.f. April 1, 2022			

6.24 The Company is not a sick Company.

6.25 Existing Promoter and promoter group do not have any relationship / association with the public shareholders of Target Company.

6.26 There is no loan given by TC/existing promoters / sellers / related entity or person to Acquirers or any relative of Acquirer.

6.27 Following are the delayed compliance under SEBI LODR Regulation:

Sr. No.	Regulation No.	Particulars of filing
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Sr. No.	Regulation No.	Particulars of filing				
1.	7(3)	Financial Year	H1 (1 st April xxxx to 30 th September xxxx)	H2 (1 st October xxxx to 31 st March xxxx)		
		1 April 2019 – 31 March 2020	Not Available	28/05/2020*delayed filing		
		1 April 2018 – 31 March 2019	Not Available	Not Available		
		1 April 2017 – 31 March 2018	Not Available	Not Available		
		1 April 2016 – 31 March 2017	Not Available	Complied		
		1 April 2015 – 31 March 2016	Not Available	Not Available		
2	13(3)	Financial Year	Q1 (June)	Q2(September)	Q3(December)	Q4(March)
		1 April 2020 - 31 March 2021	22/07/2020 (Delayed Filing by one day)	Complied	Complied	Complied
		1 April 2016 - 31 March 2017	Not Available	Not Available	Complied	Complied
		1 April 2015 - 31 March 2016	Not Available	Not Available	Complied	Complied
3.	27(2)	Financial Year	Q1	Q2	Q3	Q4
		1 April 2020 - 31 March 2021	Not available	Not available	Not available	Not available
		1 April 2019 - 31 March 2020	Complied	Complied	Complied	24/04/2020 (Delayed Filing)
		1 April 2015 – 31 March 2016	Not available	Not available	Not available	15/04/2016
4	31(1)(b)	Financial Year	Q1	Q2	Q3	Q4
		1 April 2020 - 31 March 2021	25/07/2020 (Delayed Filing)	06-11-2020 (Delayed Filing)	Complied	Complied
		1 April 2019 - 31 March 2020	Complied	Complied	*31-01-2020 (Delayed Filing)	09-05-2020 (Delayed Filing)
		1 April 2015 - 31 March 2016	*23/07/2015 (delayed filing by 2 days)	Complied	Complied	Complied

Sr. No.	Regulation No.	Particulars of filing				
5	33(3)	Financial Year	Q1 June	Q2 September	Q3 December	Q4 March & Year Ended
		1 April 2024 – 31 December 2024	*17/09/2024 delayed filing 33 days	*15/11/2024 delayed filing 1 day	*15/02/2025 delayed filing 1 day	Due on 28/05/2024
		1 April 2023 - 31 March 2024	Complied	*29/11/2023 delayed filing 15 days	*23/02/2024 delayed filing 9 days	*03/06/2024 delayed filing 4 days
		1 April 2022 - 31 March 2023	*06/09/2022 delayed filing 22 days	*25/11/2022 delayed filing 11 days	Complied	*31/05/2023 delayed filing 1 days
		1 April 2021 - 31 March 2022	*18/08/2021 delayed filing 4 days	*20/11/2021 delayed filing 6 days	*16/02/2022 delayed filing 2 days	*10/06/2022 delayed filing 11 days
		1 April 2020 - 31 March 2021	*15/09/2020 delayed filing 31 days (covid pandemic period)	*17/11/2020 delayed filing – 3 days	*16/02/2021 delayed filing – 2 days	*12/07/2021 – delayed filing revised result filed18
		1 April 2019 - 31 March 2020	*19/08/2019 delayed filing by 5 days	*22/11/2019 delayed filing of 8 days	Complied	*05/08/2020 delayed filing (Covid pandemic started on 21/03/2020)
		1 April 2018 - 31 March 2019	Complied	*15/11/2018 Delayed filing by 1 days	Complied	*31/05/2019 delayed filing 1 day
		1 April 2017 - 31 March 2018	Complied	*16/12/2017 delayed filing 2 days	*15/02/2018 delayed filing 1 day	*08/06/2018 delayed filing by 9 days
		1 April 2016 - 31 March 2017	Complied	*15/11/2016 delayed filing of 1 day	Complied	*31/05/2017 – delayed filing 1 days
		1 April 2015 - 31 March 2016	Complied	*21/11/2015 (stand alone) – delayed filing by 7 days 11/01/2016 (Statement of Assets & Liabilities)	Complied	Complied
6	24A					
		Financial Year		Date of filing		
		2025		Not Applicable		
		2024		Not Applicable		
		2023		Not Applicable		
		2022		Not Applicable		
		2021		Not Applicable		
		2020		Not Applicable		
		2019		Not Applicable		
		2018		Not Applicable		
		2017		Not Applicable		
		2016		Not Applicable		

Sr. No.	Regulation No.	Particulars of filing			
		<i>Note: Corporate Governance is not applicable to the Target Company. However, non-applicability letter has not been filed by the Target Company.</i>			
7	40(10) 40 (9)	Financial Year	H1	H2	
		1 April 2018 – 31 March 2019	Complied	09/05/2019 Delayed filing	
		1 April 2016 – 31 March 2017	Not Available	Complied	
		1 April 2015 – 31 March 2016	Not Available	Not Available	

6.28 Mr. Toral Shah, is the Company Secretary & Compliance Officer of the Company and his address is 125, Wardhman Nagar Nr. Radha Krishna Mandir, Nagpur, Maharashtra, India, 440008; **Phone No.:** +91 9373126605; **Email id:** hgil.ngp@gmail.com; **Website:** www.hgil.in.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

- 7.1.1 The Equity Shares of the Target Company are listed on BSE Limited, Mumbai (BSE). The shares are placed under **Group “P”** having a Scrip Code of “531971” & Scrip Id: “**HARIGOV**” on the BSE.
- 7.1.2 The equity shares of the Target Company are infrequently traded within the meaning of explanation provided in Regulation 2(j) of the SEBI (SAST) Regulations on BSE.
- 7.1.3 The trading turnover in the Equity Shares based on the trading volumes during the twelve calendar months prior to the calendar month in which the PA is made i.e.; May 01, 2024 to April 30, 2025 (both days included) on BSE was as under:

Name of the Stock Exchange	Total number of equity shares traded during the preceding 12 months prior to the month of PA	Total Number Equity Shares listed	Annualized Trading Turnover (as % of total Listed Equity Shares)
BSE	Nil	50,00,000	0.00

Source: www.bseindia.com

- 7.1.4 The Offer Price of Rs. 10.00 is justified in terms of Regulation 8 (2) of the SEBI (SAST) Regulations on the basis of the following:

Sr. No.	Particulars	Price (in ₹ per Equity Share)
A	The highest negotiated price per share for any acquisition of Equity Shares under the agreements attracting the obligation to make the Public Announcement of an Open Offer	10
B	The volume-weighted average price paid or payable for acquisition by the Acquirers during 52 weeks immediately preceding the date of PA	NA ¹
C	The highest price paid or payable for any acquisition by the Acquirers during 26 weeks immediately preceding the date of the PA	NA ¹
D	The volume-weighted average market price of such Equity Shares for a period of sixty trading days immediately preceding the date of PA as traded on the stock exchange where maximum volume of trading in the shares of the Target Company are recorded during such period, provided such shares are frequently traded	NA ¹
E	Where the shares are not frequently traded, price determined by the Acquirers and the Manager to the Offer taking into account valuation parameters including book value, comparable trading multiples and earnings per share.	10.00 ²

Sr. No.	Particulars	Price (in ₹ per Equity Share)
F	The per equity share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, 2011, if applicable	Not Applicable ³

¹Not Applicable since the shares of the Company are infrequently traded shares

² Suman Kumar Verma Chartered Accountant and Registered Valuer Registration No. IBBI/RV/05/2019/12376 having her office at D-9, Lane No.5, Mahavir Enclave, Palam Colony, New Delhi- 110045; Contact No.: +91 9716633301; Email id: cmaskvermar@gmail.com, vide valuation report dated May 14, 2025, has considered the (i) Net Asset Value method (NAV) (ii) Market Approach method and (ii) Income Approach and certified as per valuation report, the Fair Value of Equity Shares of the Target Company as ₹ 10/- (Rupee Ten only) per Equity Share.

³ Not applicable since the Offer is not pursuant to an indirect acquisition in terms of the SEBI (SAST) Regulations, 2011

In view of the parameters considered and presented in table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 10.00/- (Rupees Ten only) per share being the highest of the prices mentioned above is justified in terms of Regulation 8 of the SEBI (SAST) Regulations, 2011.

7.1.5 Market price of Target Company as on date of PA and date immediately after PA Date:

		(In ₹)
Particulars		BSE
Market price* of Target Company as on date of Public Announcement, i.e., May 14, 2025		No Trade
Market price* of Target Company as on Date immediately after Public Announcement Date, i.e., May 15, 2025		No Trade

*Closing price

Source: (www.bseindia.com)

- 7.1.6 Since the date of the Public Announcement and as on the date of this DLOF, there have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of Tendering Period of the Offer and Public Shareholders shall be notified in case of any revision in Offer Price and/or Offer Size
- 7.1.7 In the event of any further acquisition of Equity Shares of the Target Company by Acquirers during the offer period, whether by subscription or purchase, at a price higher than offer price, then offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, it shall not be acquiring any equity shares of Target Company after the third working day prior to commencement of tendering period and until the expiry of tendering period.
- 7.1.8 If the Acquirers acquires any Equity Shares of the Target Company during the period of twenty-six weeks after the closure of Tendering Period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose Equity Shares have been accepted in this 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 Takeover Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021 or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of Equity Shares of the Target Company in any form.
- 7.1.9 As on date of this DLOF, there is no revision in the Offer Price or Offer Size. In the event of any revision of the open offer, whether by way of an upward revision in offer price, or of the offer size, the Acquirers shall comply with all the provisions of the Regulation 18(5) of the Takeover Regulations and shall (a) make corresponding increases to the amount kept in escrow account under regulation 17 prior to such revision; (b) make an announcement in respect of such revisions in all the newspapers in which the detailed public statement pursuant to the public announcement was made; and (c) simultaneously with the issue of such an announcement, inform the Board, all the stock exchanges on which the shares of the target company are listed, and the target company at its registered office.

7.1.10 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to one working day prior to the date of commencement of the tendering period in accordance with Regulation 18(4) of the Takeover Regulations and would be notified to the shareholders by way of another public announcement in the same newspapers where the DPS has appeared. The same will also be informed to SEBI and BSE.

7.2 Financial Arrangements

7.2.1 Total consideration payable by the Acquirers to acquire up to 22,81,500 Equity Shares from all the Public Shareholders of the Target Company at the Offer Price of 10.00 /-per Equity Share, assuming full acceptance of the Offer, would be ₹ 2,28,15,000 (Two Crores Twenty-Eight Lakhs Fifteen Thousand only) (**“Maximum Consideration”**).

7.2.2 In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirers has opened an Escrow Account under the name and style of **“HARI GOVIND INTERNATIONAL LIMITED-OPEN OFFER 2025 - ESCROW ACCOUNT”** with Axis Bank Limited, having registered office at Trishul 3rd Floor Opp. Samartheshwar Temple Law Garden Ellisbridge Ahmedabad 380006, (**“Escrow Banker”**) and made therein a cash deposit of 58,00,000/- (Rupees Fifty Eight Lakhs Only) in the account in accordance with the Regulation 17(3)(a) of the SEBI (SAST) Regulations, being more than 25% of the Maximum Consideration payable to the Public Shareholders under the Open Offer. The cash deposit has been confirmed vide a confirmation letter dated May 19, 2025 issued by Axis Bank Limited. In terms of agreement dated May 15, 2025 amongst the Acquirer, Manager to the Offer and Escrow Bank (**“Escrow Agreement”**), the Managers to the Offer has been duly authorized to operate and to realize the monies lying in the Escrow Account in terms of the SEBI (SAST) Regulations. In case of any upward revision in the Offer Price or the Offer Size, the cash in the Escrow Account shall be increased by the Acquirers in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

7.2.3 Acquirers have confirmed that they have sufficient and adequate financial resources to fulfil the obligations required for the implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI SAST Regulations. Further, it was also confirmed that the Acquirers are in position to meet their payment obligations. The Open Offer obligation shall be met by the Acquirers through their own resources and no borrowings from any bank and/or financial institution are envisaged.

7.2.4 The Acquirers has authorized the Manager to operate and realise the value of the Escrow Account as per the provisions of the SEBI (SAST) regulations.

7.2.5 The Liquid Assets of Shaju Thomas (**“Acquirer 1”**) as on March 31, 2025 is ₹ 638.97 Lakhs (Rupees Six Hundred and Thirty-Eight Point Nine-Seven Only) as certified by Jimmy Thomas & Co , Chartered Accountants, through its Proprietor, CA Jimmy Thomas, (Membership No. 218801, having their office at IInd floor, Koothrat Tower, Court Road, Mallapuram -676 121, Kerala; Tel. No.: 0483 – 2764009; email :cajimmythomas@yahoo.co.in vide certificate dated May 14, 2025, bearing Unique Document Identification Number (UDIN) – 25218801BMMJWR6072

7.2.6 The Liquid Assets of Linta Jose (**“Acquirer 2”**) as on March 31, 2025 is ₹ 189.47 Lakhs (Rupees One Hundred and Eighty- Nine Point Four-Seven. Only) as certified by Jimmy Thomas & Co, Chartered Accountants, through Proprietor, CA Jimmy Thomas, (Membership No. 218801, having their office at IInd floor, Koothrat Tower, Court Road, Mallapuram -676 121, Kerala; Tel. No.: 0483 – 2764009; email: cajimmythomas@yahoo.co.in vide certificate dated May 14, 2025, bearing Unique Document Identification Number (UDIN) – 25218801BMMJWQ7300

7.2.7 The Acquirers have confirmed that they have adequate financial resources to meet their obligations under the Open Offer and have made firm financial arrangements for financing the acquisition of the Offer Shares, in terms of Regulation 25(1) of the SEBI (SAST) Regulations, 2011.

7.2.8 Based on the aforesaid confirmations, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer is satisfied about the adequacy of funds and money for payment through verifiable means are in place to fulfill the Offer obligation.

- 7.2.9 The Acquirers may act upon the agreement and may complete the acquisition of shares or voting rights in, or control over the target company as contemplated subject to deposit of the fund in the escrow account equivalent to maximum offer consideration and in compliance with regulation 22 (2) of SEBI (SAST) Regulation.

8. TERMS AND CONDITIONS OF THE OFFER:

- 8.1 Operational terms and conditions:
- 8.1.1 The Acquirers are making this Offer to all Public Shareholders to acquire up to 22,81,500 Equity Shares, constituting 26.00% (Twenty six percent) of the Expanded Share Capital of the Target Company, subject to the terms and conditions mentioned in the PA, DPS and the LOF.
- 8.1.2 The Offer is being made by the Acquirers to: (a) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (b) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; and (c) those persons who acquire the Equity Shares any time prior to the Offer Closing Date but who are not the registered Public Shareholders. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company and the records of the respective Depositories on the Identified Date.
- 8.1.3 In terms of the indicative schedule of major activities, the Tendering Period for the Offer shall commence on Friday, July 4, 2025, and close on Thursday, July 17, 2025.
- 8.1.4 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholders of the Target Company. The Public Shareholders may tender their Equity Shares, in dematerialised form or physical form, in the Offer at any time during the Tendering Period. Subject to the receipt of the statutory or other approvals as specified in paragraph 8.4 (Statutory and Other Approvals) of this DLOF, the Acquirers have up to 10 (ten) Working Days from the Offer Closing Date to pay the consideration to the Public Shareholders whose Equity Shares are accepted in the Open Offer.
- 8.1.5 The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one) only. Public Shareholders can participate in the Offer by offering their shareholding in whole or in part.
- 8.1.6 A tender of Equity Shares pursuant to any of the procedures described in the DLOF will constitute a binding agreement between the Acquirers and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the DLOF.
- 8.1.7 The Draft Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those public shareholders of HGIL (except the Acquirers, Existing Promoters & Sellers) whose name appear on the Register of Members, at the close of business hours on June 20, 2025 ("**Identified Date**").
- 8.1.8 All owners of the shares, Registered or Unregistered (except the Acquirers, Existing Promoters & Sellers) who own the shares any time prior to the Closing of the Offer is eligible to participate in the Offer as per the procedure set out in Para 7.3 below. Eligible Persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.
- 8.1.9 The Letter of Offer will be dispatched to all the eligible shareholders of the Target Company as of the Identified Date. While it would be insured that the Letter of Offer is dispatched by the due date to all the eligible shareholders as on the Identified Date, non-receipt of Letter of Offer by any member entitled to this open offer will not invalidate the Offer in any manner whatsoever.
- 8.1.10 Subject to the conditions governing this Offer, as mentioned in the DLOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.
- 8.1.11 The Public Shareholders who tender their Equity Shares in this Open Offer shall ensure that they have good and valid title on the Equity Shares. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends and rights to participate in, bonus and rights issues, if any, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.

- 8.1.12 Public Shareholders to whom the Open Offer is being made are free to tender the Equity Shares held by them in the Target Company, in whole or in part, while accepting the Offer. The acceptance must be unconditional, absolute and unqualified. Any acceptance of this Offer, which is conditional or incomplete applications, including non-submission of necessary enclosures, if any, is liable to 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.
- 8.1.13 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 or thereafter.
- 8.1.14 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 are passed regarding the free transferability of such Equity Shares tendered under the Open Offer prior to the date of closure of the Tendering Period.
- 8.2 **Locked-in Shares:** There are no locked-in shares in HGIL. Locked-in Equity Shares held by Public Shareholders, if any, may be tendered in the Open Offer and transferred to the Acquirers subject to the continuation of the residual lock-in period in the hands of the Acquirer, as may be permitted under applicable law. The Manager shall ensure that there shall be no discrimination in the acceptance of locked-in and nonlocked-in Equity Shares.

8.3 Eligibility for accepting the Offer:

- 8.3.1 All Public Shareholders, registered or unregistered, who hold Equity Shares at any time before the Offer Closing Date are eligible to tender such Equity Shares in this Open Offer (subject to the approvals that they may need to obtain as stated in paragraph 8.4 (Statutory and Other Approvals) of this DLOF).
- 8.3.2 Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date i.e., the date falling on the 10th (tenth) 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 LOF, may also participate in this Open Offer. No indemnity shall be required from unregistered shareholders
- 8.3.3 The acceptance of this Open Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Open Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever. Incomplete applications, including nonsubmission of necessary enclosures, if any, are liable to be rejected. Accidental omission to send 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.
- 8.3.4 In the event any change or modification is made to the Form of Acceptance-cumAcknowledgement or if any condition is inserted therein by the eligible Public Shareholder, then the Manager, the Acquirers shall reject the acceptance of this Offer by such eligible Public Shareholder.
- 8.3.5 The acceptance of Equity Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager. 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 to the Offer subject to acquisition of a maximum of 22,81,500, representing 26% of the Expanded Share Capital.
- 8.3.6 The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- 8.3.7 For any assistance, please contact the Manager to the Offer or the Registrar to the Offer.

8.4 Statutory Approvals and conditions of the Offer:

- 8.4.1 As of the date of this DLOF, there are no statutory approvals required for this Offer. However, if any other statutory approvals are required or become applicable prior to completion of this Offer, this Offer would be subject to the receipt of such other statutory approvals that may become applicable at a later date.
- 8.4.2 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 Acquirers reserve the

right to reject such Equity Shares tendered in this Offer. Further, if Public Shareholders who are not persons resident in India (including NRIs, OCBs and FIIs/ FPIs) had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring/ holding the Equity Shares, in order to tender the Equity Shares held by them in the Open Offer, along with the other documents required to be tendered to accept the Open Offer. In the event such approvals are not submitted, the Acquirers reserve their right to reject such Equity Shares tendered in this Open Offer

- 8.4.3 Non-resident equity shareholders who wish to tender their equity shares in the Target Company in this Offer will be required to submit all the applicable Reserve Bank of India (hereinafter referred to as “RBI”) approvals that they would have obtained for acquiring, the equity shares of the Target Company. In the event such RBI approvals are not submitted, the Acquirers reserves the sole right to reject the equity shares tendered in the Offer.
- 8.4.4 The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals which may become applicable later and are refused. In the event of withdrawal, a PA will be made within 2 working days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 8.4.5 Subject to the receipt of the statutory and other approvals (including the Required Statutory Approval) set out herein, the Acquirers shall complete payment of consideration within 10 (ten) Working Days from the closure of the tendering period to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirers in accordance with Regulation 21 of the SEBI (SAST) Regulations. Where any statutory or other approval(s) extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approval(s) are required in order to complete this Open Offer.
- 8.4.6 In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any wilful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18(11) of SEBI (SAST) Regulations. Further, if delay occurs on account of wilful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations, will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.
- 8.4.7 No approval is required from any bank or financial institutions for this Offer.
- 8.4.8 Target Company is not required to obtain NOC from any regulatory / govt. authority for effecting change in control;
- 8.4.9 The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.
- 8.4.10 Subject to the receipt of the statutory and other approvals(including the Required Statutory Approval), if any, the Acquirers shall complete payment of consideration within 10 (ten) Working Days from the Offer Closing Date to those Public Shareholders whose documents are found valid and in order and are approved for acquisition by the Acquirer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

- 9.1 The Open offer will be implemented by the Acquirers through the Stock Exchange Mechanism made available by the Stock Exchange in the form of a separate window (“Acquisition Window”) as provided under the SEBI (SAST) Regulations and SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 issued by SEBI and as amended by SEBI Circular CFD/DCR/2/CIR/P/2016/131 dated December 09, 2016 and as per further amendment vide SEBI Circular SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021 and SEBI’s Master Circular dated February 16, 2023, bearing reference number SEBI/HO/CFD/PoD1/P/CIR/2023/31 (“Master Circular”).
- 9.2 BSE Limited (‘BSE’) shall be the Designated Stock Exchange for the purpose of tendering equity shares in the Open Offer.

- 9.3 The facility for Acquisition of shares through Stock exchange Mechanism pursuant to an Open Offer shall be available on the BSE in the form of Separate Window (“Acquisition Window”).
- 9.4 The Acquirers has appointed Nikunj Stock Brokers Limited, Stock Broker for the open offer through whom the purchases and settlement of the Offer Shares tendered under the Open Offer shall be made. The contact details of the buying broker are as mentioned below:
- Name:** Nikunj Stock Brokers Limited;
Communication Address: A-92, Ground Floor, Left Portion, Kamla Nagar, New Delhi-110007;
Contact Person: Mr. Parmod Kumar Sultania;
Tel. No.: 011-47030017-18/ 9811322534;
Email ID: complianceofficer@nikunjonline.com
- 9.5 All the shareholders who desire to tender their equity shares under the Open Offer will have to intimate their respective stock brokers (“Selling Brokers”) within the normal trading hours of the Secondary Market, during the Tendering period.
- 9.6 A separate Acquisition Window will be provided by the BSE to facilitate placing of sell orders. The Selling broker can enter orders for dematerialized as well as physical Equity shares.
- 9.7 The cumulative quantity tendered shall be displayed on the Exchange website throughout the trading session at specific intervals by the Stock Exchange during the Tendering period.
- 9.8 Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.
- 9.9 Shareholders can tender their shares only through a Broker with whom the shareholder is registered as client with KYC Compliant.
- 9.10 Shareholders should not submit/tender their equity shares to Manager to the Open offer, the Acquirers or the Target Company.
- 9.11 **Procedure for tendering shares held in Dematerialized Form.**
- a) The Equity shareholders who are holding the equity shares in demat form and who desire to tender their Equity shares in this offer shall approach their broker indicating to their broker the details of equity shares they intend to tender in Open Offer.
 - b) The Selling Broker would be required to place an order/bid on behalf of the Equity Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the BSE. Before placing the order/bid the Selling Broker shall provide early pay-in of demat shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
 - c) For custodian participant, orders for demat equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
 - d) The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by the Stock Exchange/ Clearing Corporation, before the opening of the Offer.
 - e) Upon placing the order, the Selling Broker(s) shall provide transaction registration slip (“TRS”) generated by the Exchange bidding system to the shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of equity shares tendered etc.
 - f) The shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.

The shareholders holding Equity shares in demat mode are not required to fill any Form of Acceptance-cum Acknowledgement. The shareholders are advised to retain the acknowledged copy of the DIS and the TRS till the completion of Offer Period.

9.12 Procedure to be followed by the registered Shareholders holding Equity Shares in physical form:

- a) Shareholders who are holding physical equity shares and intend to participate in the 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. The form of Acceptance-cum-Acknowledgement duly signed (by all equity Shareholders in case shares are in joint names) in the same order in which they hold the Equity Shares;
 - ii. Original Share Certificates;
 - iii. Valid shares transfer form(s) duly filled and signed by the transferors (i.e., by all registered Shareholders in same order and as per the specimen signatures registered with the Target Company and duly witnessed at the appropriate place authorizing the transfer in favour of the Acquirers;
 - iv. Self-attested copy of the Shareholder's PAN card;
 - v. Any other Relevant documents such as (but not limited to):
 - Duly attested power of attorney if any person other than the equity shareholder has signed the relevant Form of Acceptance-cum-Acknowledgement;
 - Notarized Copy of death Certificate/ succession certificate or probated will, if the original Shareholder has deceased;
 - Necessary corporate authorizations, such as Board Resolutions etc, in case of companies.
 - vi. In addition to the above, if the address of the Shareholders has undergone a change from the address registered in the register of members of the Target Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: Valid Aadhar Card, Voter Identity card or Passport.
- b) Selling Broker should place order on the Acquisition Window with the relevant details as mentioned on the physical share certificate(s). Upon placing the order, the Selling broker shall provide a TRS generated by the Exchange bidding system to the Shareholder. TRS will contain the details of order submitted like folio no., certificate no., distinctive no., no. of Equity shares tendered etc.
- c) After placement of order, as mentioned in paragraph 8.12(b), the Selling Broker must ensure delivery of the Form of Acceptance-cum-Acknowledgement, TRS, Original share certificate(s), valid share transfer form(s) and other documents (as mentioned in the paragraph 8.12(a)) either by registered post or courier or hand delivery to the Registrar to the Offer (at the address mentioned on the cover page not later than 2 (two) days from the Offer Closing Date (by 5 PM). The envelope should be superscripted as "**HGIL Open Offer**". One copy of the TRS will be retained by the Registrar to the Offer and it will provide acknowledgement of the same to the Selling Broker.
- d) Shareholders holding physical Equity shares should note that the physical equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical equity shares by the Acquirers shall be subjected to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and till such time the BSE shall display such orders as "unconfirmed physical Bids". Once, Registrar to the Offer confirms the order it will be treated as "Confirmed Bids".
- e) In case any person has submitted Equity shares in physical form for dematerialization, such shareholders should ensure that the process of getting the equity shares dematerialized is completed well in time so that they can participate in the offer before the Offer Closing Date.

9.13 Modification/Cancellation of orders will not be allowed during the period the Offer is open.

9.14 The cumulative quantity tendered shall be made available on the website of the BSE throughout the trading session and will be updated at specific intervals during the tendering period

9.15 Procedure for Tendering the Shares in case of Non-Receipt of the Letter of Offer:

Persons who have acquired equity shares but whose names do not appear in the register of members of the Target Company on the Identified date, or those who have not received the Letter of offer, may also participate in this Offer. A shareholder may participate in the Offer by approaching their broker and tender Equity shares in the Open Offer as per the procedure mentioned in this Letter of Offer or in the Form of Acceptance-cum-Acknowledgement. The Letter of Offer along with Form of Acceptance-cum-Acknowledgement will be dispatched to all the eligible shareholders of the Target Company as on the Identified date. In case of non-receipt

of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or BSE website (www.bseindia.com) or Merchant Banker website (www.ib.marwadichandaranagroup.com) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity shares of the Target Company. Alternatively in case of non-receipt of the Letter of Offer, shareholders holding shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder, stating name, address, number of shares held, client Id number, DP name, DP ID number, number of shares tendered and other relevant documents such as physical share certificates and Form SH-4 in case of shares being held in physical form. Such Shareholders have to ensure that their order is entered in the electronic platform to be made available by the BSE before the closure of the Offer.

- 9.16 The acceptance of the Offer made by the Acquirers are entirely at the discretion of the shareholders of the Target Company. The Acquirers does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in this Offer. The Acquirers will not be responsible in any manner for any loss of share certificate(s) and other documents during transit and the shareholders are advised to adequately safeguard their interest in this regard.

9.17 Acceptance of Equity Shares

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares (including demat Equity Shares, physical Equity Shares and locked-in Equity Shares) validly tendered by the Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the 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 Shareholder shall not be less than the minimum marketable lot.

As per the recent amendment of SEBI vide its circular SEBI/HO/CFD/DCR-III/ CIR/P/2021/615 dated August 13, 2021, in consultation with Depositories, Clearing Corporations and Stock Exchanges, it has been decided that a lien shall be marked against the shares of the shareholders participating in the tender offers. Upon finalization of the entitlement, only accepted quantity of shares shall be debited from the demat account of the shareholders. The lien marked against unaccepted shares shall be released. The detailed procedure for tendering and settlement of shares under the revised mechanism is specified in the Annexure. All other procedures shall remain unchanged.

9.18 Settlement Process

1. On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list of accepted Equity Shares tendered in this Offer shall be provided to the Designated Stock Exchange to facilitate settlement on the basis of the Equity Shares transferred to the Clearing Corporation.
2. The settlement of trades will be carried out in a manner similar to settlement of trades in the Acquisition Window Circulars.
3. The Buying Broker will make the funds pay-in in the settlement account of the Clearing Corporation. For Equity Shares accepted under the Offer, the Eligible Shareholders will receive funds payout directly in their respective bank accounts (in case of demat Equity Shares, in the bank accounts which are linked to the respective demat accounts) / as per secondary market pay-out mechanism (in case of physical Equity Shares). However, if the pay-outs are rejected by the Eligible Shareholder's bank accounts due to any reason, the pay-out will be transferred to their respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to their respective Eligible Shareholders. The Eligible Shareholders will be required to independently settle fees, dues, statutory levies or other charges (if any) with their Selling Brokers.
4. The funds payout pertaining to the bids of NRIs, foreign shareholders and/or bids confirmed by custodians, will be transferred to the Selling Broker's settlement accounts or the settlement bank account of the custodian, in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and the Clearing Corporation from time to time.

5. The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the Equity Shares tendered under the Offer.
6. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned to the Equity Shareholders directly by the Registrar.
7. The direct credit of Equity Shares will be given to the demat account of Acquirers as indicated by the Buying Broker.
8. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of Acquirer.
9. Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.
10. Buying Broker would also issue a contract note to the Acquirers for the Equity Shares accepted under the Open Offer.
11. In the event of partial or non-acceptance of orders the balance demat Equity Shares will be returned directly to the demat accounts of the Public Shareholders. However, in the event of any rejection of transfer to the demat account of the Public Shareholder for any reason, the demat Equity Shares will 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.
12. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Shareholders'/ unregistered owners' sole risk to the sole/ first Shareholder/ unregistered owner. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in an event the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.
13. 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 tended under the Offer.
14. If Public Shareholders' bank account details are not available or if the fund transfer instruction is rejected by the RBI or bank, due to any reasons, then the amount payable to Public Shareholders will be transferred to the Selling Broker for onward transfer to the Eligible Shareholder.
15. 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 Target Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
16. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

9.19 NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE IT ACT (AS AMENDED BY FINANCE ACT, 2024) AND THE REGULATIONS THEREUNDER.

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

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

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

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

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

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

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GENERAL

- a) As the tendering of Equity Shares is being undertaken on the stock exchange, such transaction will be chargeable to STT. STT is payable in India on the value of securities on every purchase or sale of securities that are listed on the Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.
- b) The basis of charge of Indian Income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the IT Act.
- 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 is received or deemed to be received or accrues or arises or deemed to accrue or arise in India). In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.
- d) nsferred.
- e) Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.
- f) Further, the non-resident shareholder can avail beneficial treatment under the Double Taxation Avoidance Agreement ("DTAA") between India and the respective country of which the said shareholder is tax resident

subject to satisfying relevant conditions including but not limited to (a) conditions (if any) present in the said DTAA read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is a tax resident and (b) non-applicability of GAAR and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

- g) c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- h) The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- i) 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.
- j) The summary of income-tax implications on tendering of listed Equity Shares on the recognised stock exchange in India is set out in the succeeding paras. All references to Equity Shares herein refer to listed Equity Shares unless stated otherwise.

Classification of Shareholders

Public Shareholders can be classified under the following categories:

Resident Shareholders being:

- 1. Individuals, Hindu Undivided Family (“**HUF**”), Association of Persons (“**AOP**”) and Body of Individuals (“**BOI**”)
- 2. Others
 - a. Company
 - b. Other than company

Non-Resident Shareholders being:

- 1. Non-Resident Indians (“**NRIs**”)
- 2. Foreign Institution Investors (FIIs)/ Foreign Portfolio Investors (FPIs)
- 3. Others:
 - a. Company
 - b. Other than company

Classification of Shares:

Shares can be classified under the following two categories:

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

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

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

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

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

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

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

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

- a) As per the current provisions of the IT Act, under Section 112A of the IT Act, LTCG arising from transfer of Equity Shares exceeding 1,25,000 (Rupees one lakh Twenty Five Thousand) will be taxed at a rate of 12.5% (twelve point five) percent without allowing benefit of indexation for resident shareholders and at a rate of 12.5% (twelve point five) percent without allowing benefit of indexation and foreign exchange fluctuation for non-resident shareholders, provided the same has been subjected to STT, upon acquisition and sale.

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

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

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

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

- c) LTCG, as computed u/s. 112A, will not be liable to tax to the extent not exceeding ₹ 1,25,000 (Rupees One lakh Twenty Five Thousand only).
- d) Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the Equity Shares):
 - i. LTCG will be chargeable to tax at the rate of 20% (plus applicable surcharge and health and education cess) or 12.5% (plus applicable surcharge and health and education cess) without allowing benefit of indexation, in the case of a non-resident Public Shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) in accordance with provisions of section 112 of the IT Act.
 - ii. In the case of FIIs/FPIs, LTCG would be taxable at 12.5% (plus applicable surcharge and health and education cess) in accordance with provisions of section 115AD of the IT Act (without benefit of indexation and foreign exchange fluctuation).
 - iii. For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 12.5% (plus applicable surcharge and health and education cess) under Section 115E of the IT Act on meeting certain conditions. While computing the LTCG, the benefit of indexation of cost shall not be available.
 - iv. For a resident Public Shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 12.5% (plus applicable surcharge and health and education cess) without indexation. Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG.
 - v. Long term capital loss computed for a given year is allowed to be set-off only against LTCG computed for the said year, in terms of Section 70 of the IT Act. The balance loss, which is not set off, is allowed to be carried forward for

subsequent eight assessment years, for being set off only against subsequent years' LTCG, in terms of Section 74 of the IT Act.

- e) As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 20% under section 111A of the IT Act. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- f) In case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.
- g) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 20%.
- h) As per Section 70 of the IT Act, short term capital loss computed for a given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years, for being set-off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- i) Non-resident shareholder can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions as prescribed under the relevant DTAA read with MLI as may be in effect, and non-applicability of GAAR and providing and maintaining necessary information and documents as prescribed under the IT Act.
- j) As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

Investment Funds

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

Mutual Funds

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

Shares held as Stock-in-Trade:

- a) If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the head "Profits and Gains from Business or Profession."
- b) Resident Shareholders
 - (i) Individuals, HUF, AOP and BOI will be taxable at applicable slab rates.
 - (ii) Domestic companies having turnover or gross receipts not exceeding ₹ 400 crores in the relevant financial year as prescribed will be taxable @ 25%.
 - (iii) Domestic companies which have opted for concessional tax regime under Section 115BAA will be taxable at 22%.
 - (iv) For persons other than stated above, profits will be taxable @ 30%.
 - (v) No benefit of indexation by virtue of period of holding will be available in any case

Profits of:

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

d) Where DTAA provisions are not applicable: i. No benefit of indexation by virtue of period of holding will be available in any case.

- ii. For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
- iii. For foreign companies, profits would be taxed in India @ 40%.
- iv. For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

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

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

dia under Sections 90/90A of the IT Act and such foreign company does not have a permanent establishment in India in terms of the DTAA. In case where the said conditions are not satisfied, MAT will be applicable to the foreign company. In case of non-corporate shareholders, applicability of the provisions of Alternative Minimum Tax as per Section 115JC of the IT Act will also need to be analysed depending on the facts of each case.

Tax Deduction at Source

c. Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirers is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the listed Equity Shares under the Offer on recognized stock exchange in India.

d. Non-Resident Shareholders:

i. In case of FIIs: Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FIIs. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs, subject to fulfilment of the following conditions:

ii. **In case of non-resident tax payer (other than FIIs):**

- FIIs/FPIs furnishing the copy of the registration certificate issued by SEBI (including for subaccount of FII/FPI, if any);
- FIIs/FPIs declaring that they have invested in the Equity Shares in accordance with the applicable SEBI regulations and will be liable to pay tax on their income as per the provisions of the IT Act.
- If the above conditions are not satisfied, FIIs/FPIs may submit a valid and effective certificate for deduction of tax at a nil/lower rate issued by the income tax authorities under the IT Act ("TDC"), along with the Form of Acceptance-cum-Acknowledgement, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. The Acquirers shall deduct tax in accordance with such TDC.

In case of non-resident tax payer (other than FIIs):

Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act read with the provisions of the relevant DTAA and MLI, if applicable. In doing this, the Acquirers will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

However, the Acquirers will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirers to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirers to the non-resident shareholders.

Since the tendering of the Equity Shares under the Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. The Acquirers believes that the responsibility of withholding/ discharge of the taxes due on such gains (if any) on sale of Equity Shares is solely on the non-resident shareholders. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their

custodians, authorized dealers and/or tax advisors, as appropriate. The non-resident shareholders must file their tax return in India inter-alia considering gains arising pursuant to this Offer in consultation with their tax advisors.

In the event the Acquirers 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 Acquirers is entitled to be indemnified. The non-resident shareholders also undertake to provide the Acquirers, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

Remittance/Payment of Interest:

a) In case of interest, if any, paid by the Acquirers to resident and non-resident shareholder for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirers depending on the settlement mechanism for such interest payments. In the event, the Acquirers decides to withhold tax, the same shall be basis the documents submitted along with the form of acceptance or such additional documents as may be called for by the Acquirers. It is recommended that the shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorization of the interest, whether as capital gains or as other income). In the event the Acquirers 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 Acquirers should be indemnified.

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

Rate of Surcharge and Cess:

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

Surcharge:

i. In case of domestic companies:

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

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

ii. In case of companies other than domestic companies:

Surcharge @ 5% is leviable where the total income exceeds ₹ 10 crores.

Surcharge @ 2% where the total income exceeds ₹ 1 crore but less than ₹ 10 crores

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

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

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

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

Surcharge at the rate of 37% is leviable where the total income exceeds ₹ 5 crores.

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

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

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

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

Note: 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.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Marwadi Chandarana Intermediaries Brokers Private Limited, X-change Plaza, Office no. 1201 to 1205, 12th Floor, Building No. 53E, Zone-5, Road 5E, Gift City, Gandhinagar - 382355, Gujarat, India from 11.30 a.m. to 2.30 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer. Shareholders have option to verify below mentioned records electronically by placing a request on the email i.e.; mb@marwadichandarana.com by providing details such as DP-ID-Client ID and Folio No etc.

- Certificate of Incorporation, Memorandum and Articles of Association of Hari Govind International Limited.
- Certificate dated May 14, 2025 issued by CA Jimmy Thomas, Proprietor of Jimmy Thomas & Co, Chartered Accountants (Firm Registration No. 029679S) certifying the Net worth of Acquirer -1.
- Certificate dated May 14, 2025 issued by CA Jimmy Thomas, Proprietor of Jimmy Thomas & Co, Chartered Accountants (Firm Registration No. 029679S) certifying the Net worth of Acquirer -2.
- The Liquid Assets of Shaju Thomas (“**Acquirer 1**”) certificate issued by Jimmy Thomas & Co, Chartered Accountants, through its Proprietor, CA Jimmy Thomas, (Membership No. 218801.
- The Liquid Assets of Linta Jose (“**Acquirer 2**”) certificate issued by Jimmy Thomas & Co, Chartered Accountants, through its Proprietor, CA Jimmy Thomas, (Membership No. 218801.
- Annual Reports of Hari Govind International Limited for years ended on March 31, 2024, 2023 and 2022.
- Copies of the Acquirer’s unaudited financial statements as of and for the 9 (Nine) months period ended December 31, 2024 along with copy of the certificate dated May 27, 2025 issued by C.V. Paturkar & Co. (Membership No: 151276) regarding the key financial information of the Target Company;
- Escrow Agreement dated May 15, 2025 executed between Acquirers and Axis Bank Limited and Marwadi Chandarana Intermediaries Brokers Private Limited (“Escrow Agreement”).
- Share Purchase Agreement dated May 14, 2025 executed between Acquirers, Target Company and Sellers.
- Share Subscription Agreement date May 14, 2025 executed between the Acquirers and Target Company.
- Copy of the letter dated May 19, 2025 received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Open Offer Escrow Account.
- Copy of Public Announcement dated May 14, 2025.
- Published copy of the Detailed Public Statement, which appeared in the newspapers on May 21, 2025.
- Copy of Recommendation made by Committee of Independent Directors of Target Company
- Observation letter no (●) dated (●) on the Draft Letter of Offer filed with the Securities and Exchange Board of India.

11. DECLARATION BY THE ACQUIRERS

- 11.1 The Acquirers accept full responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in paragraph 11.2 below) and undertake that they are aware of and will comply with their obligations under SEBI (SAST) Regulations in respect of this Offer.

- 11.2 The information pertaining to the Target Company and/or the Sellers contained in the PA, the DPS or the DLOF or any other advertisement/ publications made in connection with the Open Offer has been compiled from information published or provided by the Target Company or the Sellers, as the case may be, or publicly available sources which has not been independently verified by the Acquirers or the PACs or the Manager. The Acquirer, the PACs and the Manager do not accept any responsibility with respect to such information relating to the Target Company and/or the Sellers.
- 11.3 The Acquirers accept full responsibility for their obligations under the Open Offer and shall be jointly and severally responsible for the fulfilment of obligation under the SEBI (SAST) Regulations in respect of this Open Offer.
- 11.4 The person(s) signing this DLOF are duly and legally authorized by the Acquirers, as applicable, to sign the DLOF.
- 11.5 Unless otherwise stated, the information set out in this DLOF reflects the position as of the date of this DLOF

Signed by Acquirers:

Sd/-
Mr. Shaju Thomas
(Acquirer-1)

Sd/-
Mrs. Linta Purayidathil Jose
(Acquirer-2)

Place: Mallapuram
Date: May 28, 2025