

**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 The India Cements 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

**UltraTech Cement Limited (“Acquirer”)**

A public limited company incorporated under the Companies Act, 1956

**Registered Office:** Ahura Centre, B - Wing, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India;**CIN:** L26940MH2000PLC128420; **Tel:** 022-6691 7800 / 2926 7800; **Website:** [www.ultratechcement.com](http://www.ultratechcement.com)

**TO ACQUIRE UP TO 8,05,73,273 (EIGHT CRORE FIVE LAKH SEVENTY THREE THOUSAND TWO HUNDRED AND SEVENTY THREE) 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 EQUITY SHARE CAPITAL (AS DEFINED BELOW) OF THE TARGET COMPANY, AT A PRICE OF INR 390.00/- (INDIAN RUPEES THREE HUNDRED AND NINETY ONLY) PER EQUITY SHARE, IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS”), FROM THE PUBLIC SHAREHOLDERS OF**



**THE INDIA CEMENTS LIMITED (“Target Company”)**

A public limited company incorporated under the Indian Companies Act, 1913

**Registered Office:** “Dhun Building”, 827, Anna Salai, Chennai – 600 002, India;**CIN:** L26942TN1946PLC000931; **Tel No.:** + 91 44 2852 1526, +91 44 2857 2100/400; **Website:** [www.indiacements.co.in](http://www.indiacements.co.in)

1. This Open Offer is being made by the Acquirer, pursuant to and in compliance with Regulations 3(1) and 4, and other applicable regulations of the SEBI (SAST) Regulations.
2. The Offer Price is INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share, payable in cash. The Offer Price for partly paid-up Equity Shares will be computed as the difference between the Offer Price and the amount due towards calls-in-arrears including interest, if any, thereon.
3. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of SEBI (SAST) Regulations.
4. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
5. 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 and Other Approvals*) 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 Acquirer 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.
6. Under Regulation 18(4) of the SEBI (SAST) Regulations, the Acquirer is permitted to revise the Offer Price (*as defined below*) 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 Acquirer 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*), SEBI (*as defined below*) and the Target Company at its registered office. Such revision would be done in compliance with other requirements prescribed under the SEBI (SAST) Regulations.
7. The Acquirer may withdraw the Open Offer in accordance with the conditions specified in paragraph 8.4.5 of this DLOF. In the event of such a withdrawal of the Open Offer, the Acquirer (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. **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.**
9. 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*) are expected to be available on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://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:**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p><b>Axis Capital Limited</b>  Address: 1<sup>st</sup> Floor, Axis House, C-2 Wadia International Centre, P. B. Marg, Worli, Mumbai - 400 025, Maharashtra, India  <b>Telephone:</b> +91 22 4325 2183; <b>Fax:</b> +91 22 4325 3000  <b>E-mail:</b> <a href="mailto:indiacements.openoffer@axiscap.in">indiacements.openoffer@axiscap.in</a>  <b>Investor Grievance E-mail:</b> <a href="mailto:complaints@axiscap.in">complaints@axiscap.in</a>  <b>Contact Person:</b> Harish Patel/Lakha Nair  <b>Website:</b> <a href="http://www.axiscapital.co.in">www.axiscapital.co.in</a>  <b>SEBI Registration Number:</b> INM000012029  <b>Validity period:</b> Permanent  <b>CIN:</b> U51900MH2005PLC157853</p>	 <p><b>KFin Technologies Limited</b>  <b>Address:</b> Selenium, Tower B, Plot No- 31 and 32 Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 Telangana, India  <b>Telephone:</b> +91 40 6716 2222; <b>Fax:</b> + 91 40 2343 1563  <b>E-mail:</b> <a href="mailto:indiacements.openoffer@kfintech.com">indiacements.openoffer@kfintech.com</a>  <b>Investor Grievance E-mail:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a>  <b>Contact Person:</b> M. Murali Krishna  <b>Website:</b> <a href="http://www.kfintech.com">www.kfintech.com</a>  <b>SEBI Registration Number:</b> INR000000221  <b>Validity period:</b> Permanent  <b>CIN:</b> L72400TG2017PLC117649</p>

## TENTATIVE SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Date <sup>(1)</sup>	Day <sup>(1)</sup>
1.	Date of the PA	July 28, 2024	Sunday
2.	Date of publication of the DPS	August 2, 2024	Friday
3.	Date of filing of this DLOF with SEBI	August 9, 2024	Friday
4.	Last date for public announcement for competing offer(s)	August 26, 2024	Monday
5.	Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager)	September 2, 2024	Monday
6.	Identified Date <sup>(2)</sup>	September 4, 2024	Wednesday
7.	Last date by which the LOF is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	September 11, 2024	Wednesday
8.	Last date for upward revision of the Offer Price and/or Offer Size	September 17, 2024	Tuesday
9.	Last date by which the committee of the independent directors of the Target Company is required to give its recommendation to the Public Shareholders for this Open Offer	September 17, 2024	Tuesday
10.	Date of publication of Offer opening public announcement in the newspapers in which the DPS has been published	September 18, 2024	Wednesday
11.	Date of commencement of the tendering period (“Offer Opening Date”)	September 19, 2024	Thursday
12.	Date of closure of the tendering period (“Offer Closing Date”)	October 3, 2024	Thursday
13.	Last date of communicating the rejection/acceptance and completion of payment of consideration or refund of Equity Shares to the Public Shareholders	October 17, 2024	Thursday
14.	Last date for publication of post-Offer public announcement in the newspapers in which the DPS has been published	October 24, 2024	Thursday

**Notes:**

- (1) *The above timelines are indicative (prepared on the basis of timelines provided under the SEBI (SAST) Regulations) and subject to receipt of requisite statutory and other approvals (including the Required Statutory Approval) and may have to be revised accordingly. Where last dates are mentioned for certain activities, such activities may take place on or before the respective last dates.*
- (2) *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 RELATING TO THE UNDERLYING TRANSACTION, THE PROPOSED OFFER AND THE PROBABLE RISK INVOLVED IN ASSOCIATING WITH THE ACQUIRER**

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

For capitalized terms used herein, please refer to the section on Definitions set out below.

### **A. Relating to the Underlying Transaction**

1. The obligation of the Acquirer to complete the Underlying Transaction is conditional upon fulfilment of the conditions set out in the SPAs (unless waived by the Acquirer), as set out in paragraphs 3.1.6, 3.1.7 and 3.1.8 of this DLOF. The Underlying Transaction will be undertaken subject to the terms and conditions contained in the SPAs, including receipt of the Required Statutory Approval. Further, the Underlying Transaction is subject to completion risks as would be applicable to similar transactions.

### **B. Relating to the Offer**

1. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event that, for reasons outside the reasonable control of the Acquirer, (a) any statutory or other approvals specified in paragraph 8.4 (*Statutory and Other Approvals*) of this DLOF including the Required Statutory Approval or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions precedent under the SPAs as specified in paragraphs 3.1.6, 3.1.7 and 3.1.8 of this DLOF are not met. In the event of such a withdrawal of the Open Offer, the Acquirer (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.
2. If, (a) there is delay in receipt of the Required Statutory Approval or any other applicable statutory or other approvals; (b) there is any litigation leading to a stay on the Open Offer; or (c) SEBI instructs the Acquirer to suspend the Open Offer, then the Open Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares have been accepted in this Open Offer as well as return of the Equity Shares not accepted by the Acquirer may be delayed. In case of delay due to non-receipt of statutory approval(s), in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not on account of any wilful default or negligence on the part of the Acquirer, grant extension for the purpose of completion of this Open Offer subject to the Acquirer agreeing to pay interest to the Public Shareholders, as may be specified by SEBI. Where the required statutory approvals apply to some but not all of the Public Shareholders, the Acquirer will have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Open Offer.
3. Equity Shares once tendered in the Open Offer cannot be withdrawn by the Public Shareholders, even in the event of a delay in the acceptance of Equity Shares under the Open

Offer and/or the payment of consideration. A lien shall be marked against the Equity Shares tendered in the Offer by the Public Shareholders until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares during such period, even if the acceptance of the Equity Shares in this Offer and/ or payment of consideration are delayed. During such period, there may be fluctuations in the market price of the Equity Shares of the Target Company that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Open Offer. Neither the Acquirer nor the Manager to the Offer make any assurance with respect to the market price of the Equity Shares and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding participation in this Open Offer.

4. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender Equity Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any 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 Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares. Public Shareholders classified as overseas corporate bodies (“OCB”), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
5. The DLOF/LOF, together with the DPS and the PA in connection with the Offer has been prepared for the purposes of compliance with the applicable laws and regulations of India, including the SEBI Act and the SEBI (SAST) Regulations, and has not been filed, registered or approved in any jurisdiction outside India. Recipients of this DLOF/LOF, who are resident in jurisdictions outside India, should inform themselves of and comply with any applicable legal requirements. This Open Offer is not directed towards any person or entity in any jurisdiction where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements.
6. No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear on the register of members of the Target Company, at their stated address, as of the Identified Date, subject to Regulation 18(2) of the SEBI (SAST) Regulations, provided that where local laws or regulations of any jurisdiction outside India may expose the Acquirer, the Manager to the Offer or the Target Company to material risk of civil, regulatory or criminal liabilities in the event the LOF in its final form were to be sent without material amendments or modifications into such jurisdiction, and the Public Shareholders resident in such jurisdiction hold Equity Shares entitling them to less than 5.00% (five percent) of the voting rights of the Target Company, the Acquirer may refrain from sending the LOF into such jurisdiction: provided further that, subject to applicable law, every person holding Equity Shares, regardless of whether he, she or it held Equity Shares on the Identified Date or has not received the LOF, shall be entitled to tender such Equity Shares in acceptance of the Offer.

7. Public Shareholders are advised to consult their respective stockbroker, legal, financial, investment or other advisors and consultants of their choosing, if any, for assessing further risks with respect to their participation in this Open Offer, and related transfer of Equity Shares of the Target Company to the Acquirer. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Open Offer, or in respect of any 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 Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the DLOF.
8. The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
9. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, DPS, DLOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer in relation to the Open Offer. Notwithstanding the above, the Acquirer and the Manager to the Offer do not accept responsibility for the statements made and information with respect to the Target Company (which has been compiled from information published or publicly available sources or provided by the Target Company) and the Sellers (which have been sourced from the Sellers), as set out in the PA, DPS, DLOF, LOF, or in the advertisements or any corrigenda or any materials issued by or at the instance of the Acquirer or the Manager to the Offer. The accuracy of such details of the Target Company and/or the Sellers have not been independently verified by the Acquirer or the Manager to the Offer. Anyone placing reliance on any other sources of information (not released by the Acquirer) would be doing so at his/her/its own risk.
10. The information contained in this DLOF is as of the date of this DLOF unless expressly stated otherwise. The Acquirer and the Manager to the Offer are under no obligation to update the information contained herein at any time after the date of this DLOF.

**C. Relating to the Acquirer**

1. The Acquirer and Manager to the Offer make no assurance with respect to the continuation of the past trends in the financial performance or the future performance of the Target Company and disclaim any responsibility with respect to any decision by any of the Public Shareholders on whether or not to participate in the Open Offer. The Public Shareholders should not be guided by the past performance of the Target Company and/or the Acquirer while arriving at their decision to participate in the Open Offer.
2. The Acquirer and Manager to the Offer make no assurance with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
3. The Acquirer and Manager to the Offer do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or upon the completion of this Open Offer and expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any shareholder on whether to participate or not to participate in the Open Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

4. Pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with SEBI (LODR) Regulations, the Acquirer 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.

#### **DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES**

This DLOF 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 offer or solicitation. Readers of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

The Open Offer described in this DLOF 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. Readers of the information contained in this DLOF are requested to inform themselves about and to observe any such restrictions.

#### **DISCLAIMER FOR U.S. PERSONS**

In addition to the above, please note that the Open Offer is being made for the acquisition of securities of an Indian company and Public Shareholders in the U.S. or that are U.S. persons should be aware that this DLOF 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 DLOF 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.

#### **CURRENCY OF PRESENTATION**

In this DLOF, all references to “Indian Rupees” or “INR” are references to the Indian Rupee(s).

In this DLOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

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FORM OF ACCEPTANCE AND SHARE TRANSFER FORM

## 1. DEFINITIONS

Acquirer	UltraTech Cement Limited
AOP	Association of persons
Board	Board of directors of the Target Company
BOI	Body of individuals
BSE	BSE Limited
Buying Broker	Axis Capital Limited
CDSL	Central Depository Services (India) Limited
CKYC	Central know your client
CIN	Company Identification Number
Clearing Corporation	Indian Clearing Corporation limited and National Securities Clearing Corporation Limited
Depositories	CDSL and NSDL
Designated Stock Exchange	BSE
DIN	Director Identification Number
DLOF/ Draft Letter of Offer	This Draft Letter of Offer dated August 9, 2024, filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations
DP	Depository participant
DPS/ Detailed Public Statement	Detailed public statement in connection with the Open Offer, published on behalf of the Acquirer on August 2, 2024, in the newspapers mentioned in paragraph 3.2.2 of this DLOF
DTAA	Double Taxation Avoidance Agreement
EPS	Earnings per share
Equity Share(s)	Fully paid-up Equity Shares of the Target Company having face value of INR 10/- (Indian Rupees ten only) each
Escrow Agent	Axis Bank Limited
Escrow Agreement	Escrow Agreement dated July 28, 2024, executed by and between the Acquirer, the Manager and the Escrow Agent
Escrow Amount	A cash deposit of INR 400,00,00,000/- (Indian Rupees four hundred crore only) in the Open Offer Escrow Account made by the Acquirer
ESOPs	Employee stock options
FATCA	Foreign Account Tax Compliance Act
FEMA	The Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder, as amended or modified from time to time
FII/ FPI	Foreign Institutional Investor or Foreign Portfolio Investor as defined under FEMA
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
GAAR	General Anti Avoidance Rules
HUF	Hindu undivided family
Identified Date	Date falling on the 10 <sup>th</sup> (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of



	determining the Public Shareholders to whom the LOF shall be sent.
Income Tax Act	Income Tax Act, 1961 and subsequent amendments thereto
Indian Rupees or INR	Indian Rupees
IPV	In person verification
KRA	KYC registration agency
KYC	Know your client
LOF/Letter of Offer	Letter of offer dated [•], duly incorporating SEBI's comments on the DLOF, and including the Form of Acceptance, which shall be dispatched to the Public Shareholders
LTCG	Long Term Capital Gains
Manager/ Manager to the Offer	Axis Capital Limited
Maximum Consideration/ Maximum Open Offer Consideration	The total funding requirement for this Offer (assuming full acceptance), i.e., INR 3142,35,76,470.00/- (Indian Rupees three thousand one hundred and forty two crore thirty five lakh seventy six thousand four hundred and seventy only)
N.A.	Not applicable
NOC	No Objection Certificate
NRI	Non-resident Indian as defined under FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Bodies
Offer/ Open Offer	Open Offer for acquisition of up to 8,05,73,273 (eight crore five lakh seventy three thousand two hundred and seventy three) Equity Shares representing 26.00% (twenty six percent) of the Equity Share Capital of the Target Company at the Offer Price, payable in cash
Offer Closing Date	Expected date of closure of the Tendering Period, i.e., Thursday, October 3, 2024
Open Offer Escrow Account	Escrow account named "UltraTech Cement Limited - Open Offer - 2024 - Escrow Account" opened with the Escrow Agent in terms of the Escrow Agreement
Offer Opening Date	Expected date of commencement of the Tendering Period, i.e., Thursday, September 19, 2024
Offer Period	Period as defined in the SEBI (SAST) Regulations
Offer Price	INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share, payable in cash. The Offer Price for partly paid-up Equity Shares will be computed as the difference between the Offer Price and the amount due towards calls-in-arrears including interest, if any, thereon.
Offer Shares	Up to 8,05,73,273 (eight crore five lakh seventy three thousand two hundred and seventy three) Equity Shares of the Target Company
Offer Size	Up to 8,05,73,273 (eight crore five lakh seventy three thousand two hundred and seventy three) Equity Shares representing 26.00% (twenty six percent) of the Equity Share Capital of the Target Company
OSV	Original seen and verified
PA/Public Announcement	Public announcement dated July 28, 2024, issued by the Manager on

	behalf of the Acquirer, in connection with the Offer
PAN	Permanent Account Number
Public Shareholders	All the public shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, other than: (i) the Acquirer, (ii) the parties to the underlying SPAs, and (iii) persons deemed to be acting in concert with the persons set out in (i) and (ii), pursuant to and in compliance with the SEBI (SAST) Regulations
Registrar of the Target Company	Integrated Registry Management Services Private Limited
Registrar to the Offer	KFin Technologies Limited
RBI	Reserve Bank of India
Required Statutory Approval	The approval of the Competition Commission of India under the Competition Act, 2002 (as amended), required for the consummation of the underlying transaction contemplated in the SPAs and the Open Offer
Sale Shares	SPA 1 Sale Shares, SPA 2 Sale Shares, and SPA 3 Sale Shares, collectively, i.e., an aggregate of 10,13,91,231 (ten crore thirteen lakh ninety one thousand two hundred and thirty one) Equity Shares, representing 32.72% (thirty two point seven two percent) of the Equity Share Capital, which the Acquirer has agreed to acquire under the SPAs from the Sellers at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Sale Share.
SCRR	Securities Contracts (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992 and subsequent amendments thereto
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and subsequent amendments thereto
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
Sellers	(1) EWS Finance & Investments Private Limited (" <b>Seller 1</b> "), (2) Srinivasan N (" <b>Seller 2</b> "), (3) Chitra Srinivasan (" <b>Seller 3</b> "), (4) Rupa Gurunath (" <b>Seller 4</b> "), (5) S.K. Asokh Baalaje (" <b>Seller 5</b> "), (6) Rupa Gurunath, Trustee of Security Services Trust (" <b>Seller 6</b> "), and (7) Rupa Gurunath, Trustee of Financial Service Trust (" <b>Seller 7</b> "), and (8) Sri Saradha Logistics Private Limited (" <b>Seller 8</b> "), collectively
SPA 1	Share purchase agreement executed by the Acquirer with Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5 on July 28, 2024
SPA 2	Share purchase agreement executed by the Acquirer with Seller 6 and Seller 7 on July 28, 2024
SPA 3	Share purchase agreement executed by the Acquirer with Seller 8 on

	July 28, 2024
SPA 1 Sale Shares	6,81,20,424 (six crore eighty one lakh twenty thousand four hundred and twenty four) Equity Shares, representing 21.98% (twenty one point nine eight percent) of the Equity Share Capital, which the Acquirer has agreed to acquire under SPA 1 from Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5 at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share.
SPA 2 Sale Shares	1,99,54,024 (one crore ninety nine lakh fifty four thousand and twenty four) Equity Shares, representing 6.44% (six point four four percent) of the Equity Share Capital, which the Acquirer has agreed to acquire under SPA 2 from Seller 6 and Seller 7 at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share.
SPA 3 Sale Shares	1,33,16,783 (one crore thirty three lakh sixteen thousand seven hundred and eighty three) Equity Shares, representing 4.30% (four point three zero percent) of the Equity Share Capital, which the Acquirer has agreed to acquire under SPA 3 from Seller 8 at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share.
SPAs	SPA 1, SPA 2 and SPA 3, collectively
STCG	Short Term Capital Gains
Stock Exchanges	Stock exchanges where the Equity Shares of the Target Company are listed, i.e., BSE and NSE
STT	Securities Transaction Tax
Target Company	The India Cements Limited
Target GDS	Global depository shares of the Target Company that are listed on the Luxembourg Stock Exchange
Tendering Period	Period expected to commence on Thursday, September 19, 2024, and close on Thursday, October 3, 2024, both days inclusive
TRC	Tax Residence Certificate
TRS	Transaction Registration Slip
Underlying Transaction	The acquisition of Sale Shares in terms of the SPAs
Equity Share Capital	The total equity share capital of the Target Company on a fully diluted basis expected as of the 10 <sup>th</sup> (tenth) Working Day from the closure of the tendering period of the Open Offer
Working Day	Working days of SEBI as defined in the SEBI (SAST) Regulations, in Mumbai

**Notes:**

- (1) *All capitalized terms used in this DLOF and not specifically defined herein shall have the meaning ascribed to them in the SEBI (SAST) Regulations.*
- (2) *In this DLOF, any reference to the singular will include the plural and vice-versa.*

## 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 PUBLIC SHAREHOLDERS OF THE INDIA CEMENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE EQUITY SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER – AXIS CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 9, 2024, TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OPEN OFFER.”**

### **General Disclaimer**

This DLOF together with the PA dated July 28, 2024, and the DPS that was published on August 2, 2024, in connection with the Offer, has been prepared for the purposes of compliance with applicable laws and regulations of the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. Neither the delivery of this DLOF and/or the LOF, under any circumstances, create any implication that there has been no change in the affairs of the Target Company and/or the Acquirer, since the date hereof or that the information contained herein is correct as at any time subsequent to this date, nor is it to be implied that the Acquirer or any persons deemed to act in concert with them are under any obligations to update the information contained herein at any time after this date.

No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company, at their stated address, as of the Identified Date. However, receipt of the LOF by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of this DLOF and/or the LOF under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them, and shall be construed by them as being sent for information purposes only. Accordingly, no such Public Shareholder may tender his, her or its Equity Shares in this Offer in such jurisdiction.

Persons in possession of the PA, the DPS, this DLOF, and/or any other advertisement/publication made or delivered in connection with the Offer are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

### 3. DETAILS OF THE OFFER

#### 3.1. Background of the Offer

3.1.1. The Offer is a mandatory open offer being made by the Acquirer to the Public Shareholders of the Target Company in accordance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the execution of the SPAs.

3.1.2. The Acquirer has entered into the following share purchase agreements:

- (i) a share purchase agreement dated July 28, 2024 with Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5 ("**SPA 1**"), whereby the Acquirer has agreed to acquire an aggregate of 6,81,20,424 (six crore eighty one lakh twenty thousand four hundred and twenty four only) Equity Shares ("**SPA 1 Sale Shares**"), representing 21.98% of the Equity Share Capital, from Seller 1, Seller 2, Seller 3, Seller 4 and Seller 5, at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share, aggregating to INR 2656,69,65,360/- (Indian Rupees two thousand six hundred and fifty six crore sixty nine lakh sixty five thousand three hundred and sixty only) ("**SPA 1 Sale Consideration**"), subject to and in accordance with the terms and conditions contained in SPA 1, including receipt of the Required Statutory Approval;
- (ii) a share purchase agreement dated July 28, 2024 with Seller 6 and Seller 7 ("**SPA 2**"), whereby the Acquirer has agreed to acquire an aggregate of 1,99,54,024 (one crore ninety nine lakh fifty four thousand and twenty four) Equity Shares ("**SPA 2 Sale Shares**"), representing 6.44% of the Equity Share Capital, from Seller 6 and Seller 7, at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share, aggregating to INR 778,20,69,360/- (Indian Rupees seven hundred and seventy eight crore twenty lakh sixty nine thousand three hundred and sixty only) ("**SPA 2 Sale Consideration**"), subject to and in accordance with the terms and conditions contained in SPA 2, including the receipt of the Required Statutory Approval;
- (iii) a share purchase agreement dated July 28, 2024 with Seller 8 ("**SPA 3**"), whereby the Acquirer has agreed to acquire an aggregate of 1,33,16,783 (one crore thirty three lakh sixteen thousand seven hundred and eighty three) Equity Shares ("**SPA 3 Sale Shares**"), representing 4.30% of the Equity Share Capital, from Seller 8, at a price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share, aggregating to INR 519,35,45,370/- (Indian Rupees five hundred and nineteen crore thirty five lakh forty five thousand three hundred and seventy only) ("**SPA 3 Sale Consideration**"), subject to and in accordance with the terms and conditions contained in SPA 3, including the receipt of the Required Statutory Approval (collectively the "**Underlying Transaction**").

3.1.3. Pursuant to the consummation of the Underlying Transaction (which is conditional upon the Required Statutory Approval) and subject to compliance with the SEBI (SAST) Regulations, the Acquirer will have sole control over the Target Company and will become the promoter of the Target Company in accordance with the provisions of the SEBI (LODR) Regulations. Further, pursuant to the consummation of the Underlying Transaction, the Sellers forming part of promoter and promoter group of Target i.e., Seller 1 to Seller 7 intend to be reclassified as public shareholders in accordance with the procedures contained in the SEBI (LODR) Regulations. In addition, Chennai Super Kings Cricket Limited (being a member of the promoter group of Target Company) also intends to be reclassified as public shareholder in accordance with the procedures contained in the SEBI (LODR) Regulations.

3.1.4. As a consequence of the substantial acquisition of shares, voting rights and control over the Target Company by the Acquirer, this Open Offer is a mandatory offer being made by the Acquirer in compliance with Regulations 3(1) and 4 of SEBI (SAST) Regulations. The Open Offer is subject to receipt of the Required Statutory Approval.

3.1.5. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations.

3.1.6. Salient features of SPA 1 are set out below:

- (a) The obligation of the Acquirer to purchase SPA 1 Sale Shares is conditional upon the fulfilment of each of the conditions precedent as set out in SPA 1 (unless waived or modified by the Acquirer), which include among others, the following key conditions:
  - (i) the Target Company having received no-objections from its lenders as required for giving effect to SPA 1;
  - (ii) the warranties set out in SPA 1 being true and correct, as of the date of execution of SPA 1, i.e., July 28, 2024, and as of the completion date;
  - (iii) Sellers 1 to 5 having obtained pre-clearance from the Target Company's compliance officer in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015; and
  - (iv) the Seller 1 having received requisite corporate approvals and authorisations for giving effect to SPA 1 and delivering certified copies of the same to the Acquirer.
- (b) The completion of the Underlying Transaction is subject to the Acquirer having obtained the Required Statutory Approval. The acquisition of SPA 1 Sale Shares may be undertaken by way of a block deal or through an off-market transfer.
- (c) Until the completion date under SPA 1, the Sellers 1 to 5 are required to cause the Target Company to adhere to certain standstill covenants. SPA 1 also contains provisions in relation to certain representations, warranties and indemnities. Further, the parties have agreed to certain non-solicit obligations as set out in SPA 1 for a specified period.
- (d) SPA 1 may be terminated if completion does not occur on or before the long stop date (i.e., the date falling at the expiry of 6 (six) months from the date of execution of SPA 1 or such extended date as may be mutually agreed in writing between the parties to SPA 1).

3.1.7. Salient features of SPA 2 are set out below:

- (a) The obligation of the Acquirer to purchase SPA 2 Sale Shares is conditional upon the fulfilment of the conditions precedent as set out in SPA 2 (unless waived or modified by the Acquirer), which include among others, Seller 6 and Seller 7 having received requisite approvals for giving effect to SPA 2 and delivering certified copies of the same to the Acquirer.
- (b) The completion of the Underlying Transaction is subject to the Acquirer having obtained the Required Statutory Approval. The acquisition of SPA 2 Sale Shares may be undertaken by way of a block deal or through an off-market transfer. SPA 2 also contains provisions in relation to certain representations and warranties.
- (c) SPA 2 may be terminated if completion does not occur on or before the long stop date (i.e., the date falling at the expiry of 6 (six) months from the date of execution of SPA

2 or such extended date as may be mutually agreed in writing between the parties to SPA 2) or in case of termination of SPA 1.

3.1.8. Salient features of SPA 3 are set out below:

- (a) The obligation of the Acquirer to purchase SPA 3 Sale Shares is conditional upon the fulfilment of the conditions precedent as set out in SPA 3 (unless waived or modified by the Acquirer), which include among others, Seller 8 having received requisite corporate approvals for giving effect to SPA 3 and delivering certified copies of the same to the Acquirer.
- (b) The completion of the Underlying Transaction is subject to the Acquirer having obtained the Required Statutory Approval. The acquisition of SPA 3 Sale Shares may be undertaken by way of a block deal or through an off-market transfer. SPA 3 also contains provisions in relation to certain representations and warranties.
- (c) SPA 3 may be terminated if completion does not occur on or before the long stop date (i.e., the date falling at the expiry of 6 (six) months from the date of execution of SPA 3 or such extended date as may be mutually agreed in writing between the parties to SPA 3) or in case of termination of SPA 1.

3.1.9. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

3.1.10. Pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with SEBI (LODR) Regulations, the Acquirer 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.

3.1.11. The Acquirer does not have any nominee directors or representatives on the board of directors of the Target Company as on the date of this DLOF.

3.1.12. As per Regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the board of directors of the Target Company is required to constitute a committee of independent directors to publish its written reasoned recommendation on the Open Offer to the Public Shareholders of the Target Company and such recommendation shall be published at least 2 (two) Working Days before the commencement of the Tendering Period, in the same newspapers in which the DPS was published.

3.2. **Details of the proposed 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 July 28, 2024, and a copy thereof was also sent to the Target Company on July 28, 2024. The PA is available on the website of SEBI at [www.sebi.gov.in](http://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 August 2, 2024:

Newspapers	Language	Editions
Business Standard	English	All
Business Standard	Hindi	All
Navshakti	Marathi	Mumbai
Makkal Kural	Tamil	Chennai

The DPS was also submitted to SEBI and the Stock Exchanges and sent to the Target Company on August 2, 2024. The DPS is also available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).

- 3.2.3. This Open Offer is being made by the Acquirer to the Public Shareholders of the Target Company to acquire up to 8,05,73,273 (eight crore five lakh seventy three thousand two hundred and seventy three) Equity Shares ("**Offer Shares**") representing 26.00% (twenty six percent) of the Equity Share Capital ("**Offer Size**"), at an offer price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share ("**Offer Price**") aggregating to a total consideration of up to INR 3142,35,76,470.00/- (Indian Rupees three thousand one hundred and forty two crore thirty five lakh seventy six thousand four hundred and seventy only) (assuming full acceptance) ("**Maximum Consideration**"), subject to the receipt of the Required Statutory Approval and the terms and conditions mentioned herein.
- 3.2.4. The Offer Price is the price arrived at in accordance with Regulation 8(1) and 8(2) of the SEBI (SAST) Regulations, i.e., INR 390.00/- (Indian Rupees three hundred and ninety only). The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SEBI (SAST) Regulations. The Offer Price for partly paid-up Equity Shares will be computed as the difference between the Offer Price and the amount due towards calls-in-arrears including interest, if any, thereon.
- 3.2.5. As per the shareholding pattern filed by the Target Company with the BSE and NSE for the quarter ended June 30, 2024, the Target Company has disclosed that: (i) there are 1,165 partly paid-up Equity Shares; (ii) it has not issued any convertible securities; (iii) it has not issued any warrants; (iv) there are no locked in Equity Shares of the Target Company; and (v) 8,198 fully paid-up Equity Shares under Target GDS.
- 3.2.6. This Open Offer is not a competing offer and there is no competing offer as on the date of this DLOF in terms of Regulation 20 of the SEBI (SAST) Regulations. This Offer is not conditional upon any minimum level of acceptance from the Public Shareholders of the Target Company in terms of Regulation 19(1) of the SEBI (SAST) Regulations.
- 3.2.7. The Acquirer has not acquired any Equity Shares after the date of the PA, i.e., July 28, 2024, and up to the date of this DLOF.
- 3.2.8. The Manager 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 not to deal on its own account in the Equity Shares during the Open Offer period, in terms of Regulation 27(6) of SEBI (SAST) Regulations.

### 3.3. **Object of the acquisition/Offer**

- 3.3.1. The prime objective of the Acquirer for undertaking the Underlying Transaction:
- (a) Given the limited availability of limestone in Tamil Nadu, it has resulted in restriction on setting up of new integrated units in Tamil Nadu. The Acquirer's last integrated unit in Tamil Nadu was acquired by the Acquirer's parent i.e., Grasim Industries Limited, in August 1998. The Underlying Transaction is therefore an endeavour to extend the Acquirer's footprint and presence in the highly fragmented, competitive and fast-growing southern market in the country, particularly Tamil Nadu, where it has limited presence.
- (b) The operational efficiencies arising out of acquiring ready to use assets will reduce time to market vis-a-vis greenfield projects and will also provide the Acquirer with the opportunity to evaluate the optimization/ deferment of the Acquirer's existing



capacity expansion plans in the southern market, given the ready to use assets of the Target Company.

- (c) This will help augment the Acquirer's only integrated unit in Tamil Nadu i.e., Reddipalayam Cement Works (1.4 MTPA), which has paucity of limestone with limited lifecycle availability.
- (d) It will also result in enhancing value for the shareholders as well as creation of direct and indirect employment opportunities.

3.3.2. Subsequent to the completion of the Open Offer (which is subject to the Required Statutory Approval), the Acquirer reserves the right, in consultation with the board of directors of the Target Company, to streamline/ restructure the operations, assets, liabilities and/ or businesses of the Target Company and/ or its subsidiary/(ies) through arrangement/ reconstruction, restructuring, merger, demerger and/ or sale of assets or undertakings, at a later date. Further, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer, in consultation with the board of directors of the Target Company, and based on the requirements of the business of the Target Company and/ or its subsidiary/(ies), if any, and in accordance with applicable laws, may consider disposal of or creating encumbrance over any assets or investments of the Target Company and/ or its subsidiary/(ies), through sale, lease, reconstruction, restructuring and/or re-negotiation or termination of existing contractual/ operating arrangements, for restructuring and/ or rationalising the assets, investments or liabilities of the Target Company and/ or any of its subsidiaries (if any), to improve operational efficiencies and for other commercial reasons. Decision on these matters will be based on the requirements of the business of the Target Company and/ or its subsidiary/(ies), if any, and such decision will be taken in accordance with and as permitted by applicable laws.

#### **4. BACKGROUND OF THE ACQUIRER**

##### **4.1. UltraTech Cement Limited ("Acquirer")**

4.1.1. The Acquirer, i.e. UltraTech Cement Limited, is a public company limited by shares. It was originally incorporated on August 24, 2000, under the provisions of the Companies Act, 1956 in the state of Maharashtra under the name 'L&T Cement Limited'. Subsequently, this name 'L&T Cement Limited' was changed to 'UltraTech CemCo Limited' with effect from November 19, 2003. Thereafter, this name 'UltraTech CemCo Limited' was changed to 'UltraTech Cement Limited' with effect from October 14, 2004.

4.1.2. The registered office of the Acquirer is located at Ahura Centre, B - Wing, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India. The CIN of the Acquirer is L26940MH2000PLC128420.

4.1.3. The Acquirer is primarily engaged in the business of manufacture and sale of grey cement and allied building products.

4.1.4. As on the date of this DLOF, issued equity share capital of the Acquirer is INR 288,69,73,180/- (Indian Rupees two hundred and eighty eight crore sixty nine lakh seventy three thousand one hundred and eighty only) comprising of 28,86,97,318 (twenty eight crore eighty six lakh ninety seven thousand three hundred and eighteen only) equity shares of INR 10/- each.

4.1.5. The equity shares of the Acquirer are listed on BSE (Scrip code: 532538) and NSE (Scrip code: ULTRACEMCO). The ISIN of the Acquirer is INE481G01011. In addition, (a) global depository receipts of the Acquirer are listed on the Luxembourg Stock Exchange, (b) sustainability

linked bonds of the Acquirer are listed on the Singapore Exchange Securities Trading Limited, and (c) non-convertible debentures and commercial papers of the Acquirer are listed on NSE.

- 4.1.6. The Acquirer belongs to the Aditya Birla conglomerate. The shareholding pattern of the Acquirer as on June 30, 2024, is set out below:

Sr. No.	Shareholders' Category	Number of Shares	% of shares
1.	Promoters and Promoter Group <sup>(1)</sup>	17,31,87,363	59.99
2.	FII/Mutual Funds/FIs/Banks/VCF/AIF	9,22,84,336	31.97
3.	Other Public Shareholders	2,27,27,899	7.87
4.	Non-Promoter Non-Public	497,720	0.17
<b>Total</b>		<b>28,86,97,318</b>	<b>100.00</b>

**Note:**

- (1) **Promoters:**

*Mr. Kumar Mangalam Birla and Grasim Industries Limited*

**Members of the promoter group:**

*Aditya Vikram Kumarmangalam Birla HUF, Mrs. Rajashree Birla, Mrs. Neerja Birla, Mrs. Vasavadatta Bajaj, Birla Group Holdings Private Limited, Hindalco Industries Limited, IGH Holdings Private Limited, Padmavati Investment Private Limited, Piloni Investment and Industries Corporation Limited, Rajratna Holdings Private Limited, Vaibhav Holdings Private Limited, Vikram Holding Private Limited, PT. Indo Bharat Rayon (GDRs), PT. Sunrise Bumi Textiles (GDRs), PT. Elegant Textile Industry (GDRs), Thai Rayon Public Co. Ltd (GDRs), Surya Kiran Investments Pte. Ltd. (GDRs)*

- 4.1.7. No other person is acting in concert with the Acquirer for the purposes of this Open Offer. While persons may be deemed to be acting in concert with the Acquirer in terms of Regulation 2(1)(q)(2) of the SEBI (SAST) Regulations ("**Deemed PACs**"), such Deemed PACs are not acting in concert with the Acquirer for the purposes of this Open Offer, within the meaning of Regulation 2(1)(q)(1) of the SEBI (SAST) Regulations.
- 4.1.8. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.
- 4.1.9. Names, details of experience, qualifications, and date of appointment of the directors on the board of directors of the Acquirer, as on the date of this DLOF, are as follows:

Name	Qualifications & Experience
<b>Name:</b> Mr. Kumar Mangalam Birla <b>Date of appointment:</b> May 14, 2004 <b>Designation:</b> Non-Executive - Non Independent Director, Chairperson related to Promoter <b>DIN:</b> 00012813	<b>Qualifications:</b> Chartered Accountant; Master of Business Administration <b>Experience:</b> Mr. Kumar Mangalam Birla is the chairman of the board of directors of the Acquirer. He is also the chairman of the Aditya Birla conglomerate, which operates in 40 countries across six continents in sectors such as cement, chemicals, metals, textiles, fashion, financial services, real estate and renewables, with over 1,80,000 employees. Mr. Birla is the chancellor of the Birla Institute of Technology & Science. Over the years, he has also held several key positions on various regulatory and professional boards. He was director on the central board of directors of the RBI, chairman of the

Name	Qualifications & Experience
	<p>Advisory Committee constituted by the Ministry of Company Affairs, member of the Prime Minister of India's Advisory Council on Trade and Industry, chairman of SEBI's committee on corporate governance, chairman of the Indian Institute of Management, Ahmedabad and chairman of the Indian Institute of Technology, Delhi.</p> <p>Mr. Birla has been conferred several prestigious awards, which include the Padma Bhushan, Business Leader of the Decade award by the All-India Management Association (AIMA), and the TiE Global Entrepreneurship Award for Business Transformation. He has been conferred an honorary degree by the Institute of Company Secretaries of India and is an Honorary Fellow of the London Business School.</p>
<p><b>Name:</b> Mrs. Rajashree Birla  <b>Date of appointment:</b> May 14, 2004  <b>Designation:</b> Non-Executive - Non Independent Director  <b>DIN:</b> 00022995</p>	<p><b>Qualifications:</b> Bachelor of Arts  <b>Experience:</b> Mrs. Rajashree Birla chairs the Aditya Birla Centre for Community Initiatives and Rural Development, the Aditya Birla conglomerate's apex body responsible for development projects. She oversees the social and welfare driven work across all the major companies of the conglomerate.</p> <p>Outside of the conglomerate, Mrs. Birla is the chairperson of the FICCI - Aditya Birla CSR Centre for Excellence, Habitat for Humanity (India), member of the boards of the Asia Pacific Committee and Habitat for Humanity's Global Committee, chairperson of FICCI's Expert Committee on CSR, member of the board of BAIF Development Research Foundation, Pune, a trustee of the Gujarat Vidyapith, president of the Sangit Kala Kendra and president of the INT-ABCPA (Indian National Theatre - Aditya Birla Centre for Performing Arts). She also served on the board of directors of the CSR Committee of SBI Foundation.</p> <p>Mrs. Birla has been conferred several prestigious awards, which include the Padma Bhushan, G20 EMPOWER Award for Lifetime Achievement, BRICS Living Legend and Icon for Community Excellence and Lifetime Achievement Award, Polio Eradication Champion Award by the Government of India, Global Golden Peacock Award for CSR, Economic Times' Corporate Citizen of the Year award, the All-India Management Association's Corporate Citizen of the Year Award, the Institute of Director's Distinguished Fellowship Award, and the FICCI FLO Golden Laurel Award.</p>
<p><b>Name:</b> Ms. Anita Ramachandran  <b>Date of appointment:</b> July 17, 2024  <b>Designation:</b> Non-Executive - Independent Director  <b>DIN:</b> 00591057</p>	<p><b>Qualifications:</b> Master of Business Administration (Finance)  <b>Experience:</b> Ms. Anita Ramachandran has experience of about 40 years as a management consultant. She began her career with AF Ferguson &amp; Co. (the KPMG network Company in India then), where she worked in a wide range of areas for 19 years and was a director at the time of leaving the firm.</p> <p>Ms. Ramachandran founded Cerebrus Consultants in 1995, a firm focused on HR advisory services, including organisation transformation. She has advised several large organisations in</p>

Name	Qualifications & Experience
	South Asia on organisation transformation, reward management and talent management issues. She supports many organisations in the social sector through pro-bona professional work. She was also the chairperson of TiE Women.
<p><b>Name:</b> Mr. Anjani Kumar Agrawal  <b>Date of appointment:</b> July 17, 2024  <b>Designation:</b> Non-Executive - Independent Director  <b>DIN:</b> 08579812</p>	<p><b>Qualifications:</b> Chartered Accountant, Certified Internal Auditor (Institute of Internal Auditors, USA), Advance Business Strategy (INSEAD), Business Sustainability Management (CISL, Cambridge UK)  <b>Experience:</b> Mr. Anjani Kumar Agrawal has more than 43 years of professional experience. He has worked at Ernst and Young, where he handled transactions and valuations before setting up Ernst and Young’s advisory practice in India. He was a partner at Ernst and Young for 26 years and has worked across most industry verticals.  Mr. Agrawal has been committee member and speaker at national industry associations such as CII, FICCI, FIMI, ICC, IIA, IMC etc. He has been a committee member at the Prime Minister's Trophy Review Committee, NITI Aayog etc. He is a guest faculty at ISB, SDA Bocconi School of Management and Institute of Directors.  He is currently on the advisory panel of social sector NGOs focused on tribal / rural area development, women empowerment, child education and culture.</p>
<p><b>Name:</b> Mrs. Alka Bharucha  <b>Date of appointment:</b> June 9, 2016  <b>Designation:</b> Non-Executive - Independent Director  <b>DIN:</b> 00114067</p>	<p><b>Qualifications:</b> Bachelor of Arts (Hons.), Bachelor of Laws, Master of Laws  <b>Experience:</b> Mrs. Alka Bharucha is a Senior Partner at Bharucha &amp; Partners, Advocates &amp; Solicitors, Mumbai. She co-founded Bharucha &amp; Partners and chairs its Transactions Practice. Her core areas of legal expertise include mergers &amp; acquisitions, joint ventures, private equity, and banking &amp; finance.  Mrs. Bharucha began her career with Mulla &amp; Mulla and Craigie Blunt &amp; Caroe and has also been a partner at Amarchand &amp; Mangaldas. She is a Solicitor with the High Court of Mumbai and Supreme Court of England and Wales, and also an Advocate on Record with the Supreme Court of India.  With over 30 years of experience, Mrs. Bharucha has been ranked by Chambers Global, Legal 500 and Who’s Who Legal amongst India’s leading lawyers.</p>
<p><b>Name:</b> Mrs. Sukanya Kripalu  <b>Date of appointment:</b> October 11, 2014  <b>Designation:</b> Non-Executive - Independent Director  <b>DIN:</b> 06994202</p>	<p><b>Qualifications:</b> Bachelor of Science (Mathematics); Post Graduate Diploma in Business Management  <b>Experience:</b> Mrs. Sukanya Kripalu is a consultant in the fields of marketing, strategy, advertising and market research. Her experience includes working with leading companies such as Nestle India Limited and Cadbury India Limited. She was also the chief executive officer of Quadra Advisory, a WPP plc group company.</p>
<p><b>Name:</b> Mr. Sunil Duggal  <b>Date of appointment:</b> August 14, 2020</p>	<p><b>Qualifications:</b> Bachelor of Technology (Hons.) (Electrical Engineering); Post graduate diploma in Business Management (Marketing)</p>

Name	Qualifications & Experience
<p><b>Designation:</b> Non-Executive - Independent Director <b>DIN:</b> 00041825</p>	<p><b>Experience:</b> Mr. Sunil Duggal joined Dabur India Limited in 1994 and served as its chief executive officer for 17 years from 2002 to 2019. Mr. Duggal has chaired and co-chaired numerous committees such as Indo-Turkish Joint Business Council and FICCI Committee on Food Processing. He has been awarded numerous accolades such as FMCG CEO of the year three times. He was also honoured with the distinguished Alumnus Award by the Indian Institute of Management, Calcutta in 2019 for achievements in the business and social fields.</p>
<p><b>Name:</b> Mr. Kailash Chandra Jhanwar <b>Date of appointment:</b> October 19, 2018. <b>Designation:</b> Executive Director, Managing Director <b>DIN:</b> 01743559</p>	<p><b>Qualifications:</b> Chartered Accountant <b>Experience:</b> Mr. K. C. Jhanwar is a chartered accountant with over 43 years' experience, 42 of them with the Aditya Birla conglomerate. He has held various roles in finance, operations and general management across the cement and chemicals business of the conglomerate. Mr. Jhanwar has been honoured as one of India's best CEOs for 2024 in the prestigious BT-PwC India's Best CEOs rankings. Mr. Jhanwar has led the sustainability agenda for the Acquirer and is an advocate of the sustainability agenda through industry bodies like such as Global Cement &amp; Concrete association (GCCA), Cement Manufacturing Association (CMA), the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI).</p>
<p><b>Name:</b> Mr. Krishna Kishore Maheshwari <b>Date of appointment:</b> April 1, 2016 <b>Designation:</b> Non-Executive - Non Independent Director <b>DIN:</b> 00017572</p>	<p><b>Qualifications:</b> Chartered Accountant <b>Experience:</b> Mr. K. K. Maheshwari has over 40 years of experience in strategy and finance, of which 40 years have been with the Aditya Birla conglomerate. He has held several key leadership roles, including in the Conglomerate's chemicals, international trading, pulp and fibre, textiles and cement business. He is presently the chairman of the Business Review Council of the conglomerate.</p>
<p><b>Name:</b> Mr. Vivek Agrawal <b>Date of appointment:</b> June 9, 2024 <b>Designation:</b> Whole-time Director and Chief Marketing Officer <b>DIN:</b> 10599212</p>	<p><b>Qualifications:</b> Bachelor of Engineering (Hons.), Master of Business Administration, Advanced Management Program (AMP) <b>Experience:</b> Mr. Vivek Agrawal is currently business head - chief marketing officer of the Acquirer and has served in the Aditya Birla conglomerate for over 30 years. He joined the Aditya Birla conglomerate in 1993 as a Zonal Manager in the cement marketing division and has held significant positions in the cement and ready-mix concrete business. Mr. Agrawal was also the CEO of Star Cement, UAE in 2010. He was named an Aditya Birla Fellow in 2017 and was recipient of the Chairman's Outstanding Leader Award in 2019. Prior to joining the conglomerate, he has previously worked with Tata Motors.</p>

- 4.1.10. As on the date of this DLOF, the Acquirer holds 7,05,64,656 Equity Shares constituting 22.77% of the Equity Share Capital of the Target Company. Apart from the above and except as detailed in paragraph 3.1 (*Background of the Offer*) of this DLOF, as on the date of this DLOF, the Acquirer, its directors and its key managerial personnel (as defined in the Companies Act, 2013) do not hold any ownership/ interest/ relationship/ Equity Shares/ voting rights in the Target Company. Further, none of the directors of the Acquirer are on the board of directors of the Target Company.
- 4.1.11. Neither the Acquirer nor any of its promoters, directors, key managerial personnel (as defined in the Companies Act, 2013) or senior management have been categorised or declared: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).
- 4.1.12. The key financial information of the Acquirer as extracted from its consolidated audited financial statements for each of the three financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, and from its consolidated unaudited limited reviewed financial statements for the 3 (three) months ended June 30, 2024, is as follows:

*In INR crore, except per share data*

Profit & Loss Statement	As on and for the financial quarter ended June 30, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2024 <sup>(2)</sup>	As on and for the financial year ended March 31, 2023 <sup>(3)</sup>	As on and for the financial year ended March 31, 2022 <sup>(4)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue from operations	18,069.56	70,908.14	63,239.98	52,598.83
Other Income	165.74	616.95	503.08	507.81
<b>Total Income</b>	<b>18,235.30</b>	<b>71,525.09</b>	<b>63,743.06</b>	<b>53,106.64</b>
Total Expenditure	15,030.28	57,939.58	52,620.13	41,084.48
<b>Profit Before Depreciation and amortisation expenses, Finance Costs and Tax</b>	<b>3,205.02</b>	<b>13,585.51</b>	<b>11,122.93</b>	<b>12,022.16</b>
Depreciation and amortisation expenses	842.54	3,145.30	2,887.99	2,714.75
Finance costs	255.55	968.00	822.72	944.71
<b>Profit Before share in net profit/ (loss) of associate</b>	<b>2,106.93</b>	<b>9,472.21</b>	<b>7,412.22</b>	<b>8,362.70</b>
Add/(Less): Exceptional Items: Stamp Duty on Business Combination	32.50	-72.00	-	-
Add: Share in net profit/ (loss) in associate	2.89	22.01	4.03	1.70
<b>Profit Before Tax</b>	<b>2,142.32</b>	<b>9,422.22</b>	<b>7,416.25</b>	<b>8,364.40</b>
Provision for Tax	447.10	2,418.26	2,342.85	1,190.06
<b>Profit After Tax</b>	<b>1,695.22</b>	<b>7,003.96</b>	<b>5,073.40</b>	<b>7,174.34</b>
Profit / (Loss) attributable to Non-Controlling Interest	-1.37	-1.04	9.44	-10.05
<b>Profit attributable to Owners of the Parent</b>	<b>1,696.59</b>	<b>7,005.00</b>	<b>5,063.96</b>	<b>7,344.31</b>

In INR crore, except per share data

Balance Sheet Statement	As on and for the financial quarter ended June 30, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2024 <sup>(2)</sup>	As on and for the financial year ended March 31, 2023 <sup>(3)</sup>	As on and for the financial year ended March 31, 2022 <sup>(4)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>				
Paid-up share capital	288.70	288.69	288.69	288.67
Other Equity	61,777.61	59,938.78	54,035.85	50,146.60
Non-Current Interest	54.46	55.94	55.63	-3.06
<b>Total Equity</b>	<b>62,120.77</b>	<b>60,283.41</b>	<b>54,380.17</b>	<b>50,432.21</b>
<b>Share Application Money Pending Allotment</b>		<b>0.01</b>		
Non-current Liabilities	NA	13,612.63	13,575.00	13,240.39
Current Liabilities	NA	26,905.96	23,431.79	20,155.19
<b>Total Liabilities</b>	<b>NA</b>	<b>40,518.59</b>	<b>37,006.79</b>	<b>33,395.58</b>
<b>Total Equity and Liabilities</b>	<b>NA</b>	<b>1,00,802.01</b>	<b>91,386.96</b>	<b>83,827.79</b>
<b>Uses of funds</b>				
Total Non-Current Assets	NA	77,643.64	70,644.06	66,338.32
Total Non-Current Assets (incl. Asset Held for Sale)	NA	23,158.37	20,742.90	17,489.47
<b>Total Assets</b>	<b>NA</b>	<b>1,00,802.01</b>	<b>91,386.96</b>	<b>83,827.79</b>

Other Financial Data	As on and for the financial quarter ended June 30, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2024 <sup>(2)</sup>	As on and for the financial year ended March 31, 2023 <sup>(3)</sup>	As on and for the financial year ended March 31, 2022 <sup>(4)</sup>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Earnings per equity share (INR) – Basic and Diluted				
Basic	58.87	243.05	175.63	254.64
Diluted	58.82	242.87	175.54	254.53
Dividends per equity share (INR)	NA	70.00	38.00	38.00
Return on net worth (%)	11.9%	12.2%	9.7%	15.5%
Book value per equity share (INR)	2,152	2,088	1,884	1,747

**Notes:**

- (1) Extracted from consolidated unaudited limited reviewed financial statements for the 3 (three) months ended June 30, 2024, as disclosed to the Stock Exchanges.
- (2) Extracted from the annual report for the financial year ended March 31, 2024.
- (3) Extracted from the annual report for the financial year ended March 31, 2023.
- (4) Extracted from the annual report for the financial year ended March 31, 2022.

The contingent liabilities, commitments and guarantees of the Acquirer as on March 31, 2024, as extracted from the Acquirer's audited consolidated financial statements as on and for the financial year ended March 31, 2024, are INR 6,366.75 crore.

4.1.13. The Acquirer is in compliance with the corporate governance requirements under the SEBI (LODR) Regulations. The Company Secretary and Compliance Officer of the Acquirer is Mr. Sanjeeb Kumar Chatterjee (e-mail: [sanjeeb.chatterjee@adityabirla.com](mailto:sanjeeb.chatterjee@adityabirla.com)). The closing market price of the equity shares of the Acquirer on August 8, 2024, on the Stock Exchanges is set out below:

Stock exchange	Closing market price as on August 8, 2024 (in INR)
BSE	11,253.70
NSE	11,258.00

## 5. DETAILS OF THE SELLERS

5.1. The details of Sellers have been set out hereunder:

Sr. No.	Name of entity	Nature of entity	Registered Office/ Residential Address	Part of promoter/ promoter group of the Target Company	Name of the Group	Name of the stock exchanges where its shares are listed	Shares or voting rights held in the Target Company before entering into the SPAs
1.	EWS Finance & Investments Private Limited <sup>(1)</sup> ("Seller 1")	Private Company	Dhun Building, 3 <sup>rd</sup> Floor, 827, Anna Salai, Chennai - 600 002	Yes	NA <sup>(3)</sup>	Not Applicable	6,68,03,057 <sup>(4)</sup> (21.56%)
2.	Srinivasan N ("Seller 2")	Individual	No 2/1, Boat Club First Avenue, Raja Annamalaipuram, Chennai - 600 028	Yes	NA <sup>(3)</sup>	Not Applicable	11,24,415 (0.36%)
3.	Chitra Srinivasan ("Seller 3")	Individual	No 2/1, Boat Club First Avenue, Raja Annamalaipuram, Chennai - 600 028	Yes	NA <sup>(3)</sup>	Not Applicable	78,580 (0.03%)
4.	Rupa Gurunath ("Seller 4")	Individual	New No 4/1 Old No 9/1, Boat Club 3rd Avenue, Raja Annamalai Puram, Chennai - 600 028	Yes	NA <sup>(3)</sup>	Not Applicable	36,440 (0.01%)
5.	S.K. Asokh Baalaje ("Seller 5")	Individual	C1/1, C Colony, Police Station, Perumalpuram, Tirunelveli - 627 007	Yes	NA <sup>(3)</sup>	Not Applicable	77,932 (0.03%)
6.	Rupa Gurunath, Trustee of Security Services Trust ("Seller 6")	Trust	Dhun Building, 827, Anna Salai, Chennai - 600 002	Yes	NA <sup>(3)</sup>	Not Applicable	99,74,024 (3.22%)



7.	Rupa Gurunath, Trustee of Financial Service Trust ("Seller 7")	Trust	Dhun Building, 827, Anna Salai, Chennai - 600 002	Yes	NA <sup>(3)</sup>	Not Applicable	99,80,000 (3.22%)
8.	Sri Saradha Logistics Private Limited <sup>(2)</sup> ("Seller 8")	Private Company	Dhun Building No.827, Anna Salai, Chennai - 600 002	No	NA <sup>(3)</sup>	Not Applicable	1,33,16,783 (4.30%)
<b>Total</b>							<b>10,13,91,231 (32.72%)</b>

**Notes:**

- (1) Seller 1 was originally incorporated as a public limited company in the name of "EWS Finance & Investments Limited". Seller 1 was subsequently converted to a private company and its name was changed to its current name with effect from March 24, 2006.
- (2) Seller 8 was originally incorporated as Trishul Investments Private Limited, and its name was subsequently changed to Sri Saradha Logistics Private Limited with effect from January 12, 2018.
- (3) Not a part of any defined group.
- (4) Out of the 6,68,03,057 Equity Shares held by Seller 1, 5,77,84,517 Equity Shares have been pledged by Seller 1 in favour of certain lenders. Appropriate means will be adopted to effect the transfer of such Equity Shares as part of the Underlying Transaction taking into account the pledge.

5.2. The Sellers are not prohibited by SEBI from dealing in securities or accessing capital markets pursuant to any directions issued under Section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

5.3. Pursuant to the consummation of the Underlying Transaction (as defined below), the Sellers forming part of promoter and promoter group of Target Company i.e., Seller 1 to Seller 7, intend to be reclassified as public shareholders in accordance with the procedures contained in the SEBI (LODR) Regulations. In addition, Chennai Super Kings Cricket Limited (being a member of the promoter group of Target Company) also intends to be reclassified as public shareholder in accordance with the procedures contained in the SEBI (LODR) Regulations.

**6. BACKGROUND OF THE TARGET COMPANY**

6.1. The Target Company is a public company limited by shares. It was incorporated on February 21, 1946, as a public limited company under the provisions of the Indian Companies Act, 1913 in the name of "The India Cements Limited".

6.2. The registered office of the Target Company is located at "Dhun Building", 827, Anna Salai, Chennai – 600 002, India. The CIN of the Target Company is L26942TN1946PLC000931.

6.3. The Target Company is primarily in the business of *inter alia* manufacturing and sale of grey cement and ready-mix concrete.

6.4. The total authorised share capital of the Target Company is INR 1419,80,86,000/- (Indian Rupees one thousand four hundred and nineteen crore eighty lakh eighty six thousand only) comprising of 52,98,08,600 (fifty two crore ninety eight lakh eight thousand six hundred

only) Equity Shares having a face value of INR 10/- (Indian Rupees ten only) each, 75,00,000 (seventy five lakh only) redeemable cumulative preference shares of INR 100/- (Indian Rupees one hundred only) each and 8,15,00,000 (eight crore and fifteen lakh only) redeemable non-cumulative preference shares of INR 100/- (Indian Rupees one hundred only) each. The issued share capital of the Target Company is INR 309,89,72,670 (Indian Rupees three hundred and nine crore eighty nine lakh seventy two thousand six hundred and seventy only) divided into 30,98,97,267 (thirty crore ninety eight lakh ninety seven thousand two hundred and sixty seven only) Equity Shares of INR 10/- (Indian Rupees ten only) each. The subscribed and paid-up equity share capital of the Target Company is INR 309,89,72,010 (Indian Rupees three hundred and nine crore eighty nine lakh seventy two thousand ten only) divided into 30,98,97,201 (thirty crore ninety eight lakh ninety seven thousand two hundred and one only) Equity Shares of INR 10/- (Indian Rupees ten only) each on a fully diluted basis. All of the Equity Shares of the Target Company have been duly authorised, are validly issued and fully paid-up except to the extent of 1,165 (one thousand one hundred and sixty five only) Equity Shares having calls in arrears.

6.5. As on the date of this DLOF, the Equity Share Capital is as follows:

Particulars	Issued and paid-up Equity Shares	% of Equity Share Capital
Fully paid-up Equity Shares (including Target GDS)	30,98,96,036 <sup>(1)</sup>	100.00
Partly paid-up Equity Shares	1,165	0.00
Employee stock options vested or which shall vest	Nil	Nil
Other securities convertible into Equity Shares	Nil	Nil
<b>Equity Share Capital (Total)</b>	<b>30,98,97,201</b>	<b>100.00</b>

**Note:**

(1) Out of the 30,98,96,036 fully paid-up Equity Shares, interest remains due and payable to the Target Company in regard to erstwhile calls-in-arrears on 1,682 Equity Shares (held by 11 Public Shareholders). Further details regarding tendering of such 1,682 Equity Shares in the Open Offer is set out in paragraph 8.1.3 of this DLOF.

6.6. As per the shareholding pattern filed by the Target Company with the BSE and NSE for the quarter ended June 30, 2024, the Target Company has disclosed that: (i) there are 1,165 partly paid-up Equity Shares; (ii) it has not issued any convertible securities; (iii) it has not issued any warrants; (iv) there are no locked in Equity Shares of the Target Company; and (v) 8,198 fully paid-up Equity Shares underly Target GDS.

6.7. No penal/ punitive actions have been taken by Stock Exchanges against the Target Company.

6.8. The Equity Shares of the Target Company are listed on BSE (Scrip code: 530005) and NSE (Symbol: INDIACEM). The ISIN of the Equity Shares is INE383A01012. The Target GDS are listed on the Luxembourg Stock Exchange. The entire paid-up equity share capital of the Target Company is listed on the Stock Exchanges and has not been suspended from trading by any of the Stock Exchanges. The Equity Shares of the Target Company have been delisted from the Madras Stock Exchange with effect from December 22, 2014. Apart from the above, the Equity Shares of the Target Company have not been delisted from any other stock exchange in India. The Equity Shares are frequently traded on BSE and NSE for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.9. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years.

6.10. Names, DIN, designation and date of appointment of the directors on the board of directors of the Target Company, are as follows:

Name	Director Identification Number (DIN)	Date of Appointment	Designation
Mr. Narayanaswamy Srinivasan	00116726	September 15, 1989	Vice Chairman & Managing Director
Mrs. Chitra Srinivasan	01094213	March 5, 2010	Non-Executive Director
Mrs. Rupa Gurunath	01711965	March 5, 2010	Whole-time director
Mr. Balasubramanian Sivanthi Adityan	00036898	December 7, 2015	Independent Director
Mr. Krishnan Skandan	01945013	January 27, 2021	Independent Director
Mrs. Lakshmiaparna Sreekumar	08196552	August 11, 2018	Independent Director
Mr. Vijayaraghavachari Ranganathan	00550121	August 29, 2021	Non-Executive Director
Mr. Sanjay Patel	00283429	April 3, 2021	Independent Director
Mrs. Sandhya Rajan	08195886	August 11, 2018	Independent Director
Mr. Manickam Vengaiyagounder	00179715	June 24, 2023	Independent Director
Mr. Viswanatha Gowd Yerur	09048488	August 7, 2023	Non-Executive Director (Nominee of Life Insurance Corporation of India)
Mr. Veppur Margabandhu Mohan	00921760	November 01, 2023	Non-Executive Director
Mr. Krishna Srivastava	03159151	November 01, 2023	Independent Director

6.11. As on the date of this DLOF, there are no directors representing the Acquirer and none of the directors of the Acquirer have been appointed as directors on the board of directors of the Target Company.

6.12. The key financial information of the Target Company as extracted from its audited consolidated financial statements for each of the three financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, is as follows:

*In INR crore, except per share data*

Profit & Loss Statement	As on and for the financial year ended March 31, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2023 <sup>(2)</sup>	As on and for the financial year ended March 31, 2022 <sup>(3)</sup>
	(Audited)	(Audited)	(Audited)
Revenue from operations	5,112.24	5,608.14	4,858.35
Other Income <sup>(6)</sup>	106.83	226.28	24.39
Total Income	5,219.07	5,834.42	4,882.74

Total Expenditure <sup>(7)</sup>	5,013.22	5,021.49	5,059.25
Profit Before Depreciation and amortisation expenses, Finance Costs and Tax	205.84	83.18	508.64
Depreciation and amortisation expenses	225.57	219.27	225.53
Finance Costs	243.65	241.68	197.66
Profit Before Tax	-263.37	-377.77	85.46
Provision for Tax	47.61	207.95	19.48
Profit After Tax	-215.76	-169.82	65.98

*In INR crore, except per share data*

Balance Sheet Statement	As on and for the financial year ended March 31, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2023 <sup>(2)</sup>	As on and for the financial year ended March 31, 2022 <sup>(3)</sup>
	(Audited)	(Audited)	(Audited)
<b>Sources of funds</b>			
Paid-up share capital	309.90	309.90	309.90
Other Equity	5,289.40	5,516.85	5,713.49
<b>Total Equity</b>	5,599.29	5,826.75	6,023.38
Non-Current Liabilities	2,304.58	2,813.92	3,288.83
Current Liabilities	2,796.76	2,826.55	2,730.75
<b>Total Liabilities</b>	5,101.34	5,640.47	6,019.58
<b>Total Equity and Liabilities</b>	10,700.63	11,467.22	12,042.97
<b>Uses of funds</b>			
Total Non-Current Assets	7,913.74	8,040.36	9,501.43
Total Current Assets	2,786.89	3,426.86	2,541.54
<b>Total Assets</b>	10,700.63	11,467.22	12,042.97

Other Financial Data	As on and for the financial year ended March 31, 2024 <sup>(1)</sup>	As on and for the financial year ended March 31, 2023 <sup>(2)</sup>	As on and for the financial year ended March 31, 2022 <sup>(3)</sup>
	(Audited)	(Audited)	(Audited)
Earnings per equity share (INR) – Basic and Diluted	-7.32	-4.04	8.98
Dividends per equity share (INR)	-	-	1
Return on net worth (%) <sup>(8)</sup>	-3.87%	-2.94%	1.11%
Book value per equity share (INR) <sup>(9)</sup>	179.89	186.39	191.90

**Notes:**

- (1) Extracted from consolidated audited financial statements for the financial year ended March 31, 2024, as submitted to the Stock Exchanges.
- (2) Extracted from the annual report for the financial year ended March 31, 2023.
- (3) Extracted from the annual report for the financial year ended March 31, 2022.
- (4) “Net Income” represents Profit/ (Loss) for the year attributable to equity shareholders of the Target Company.
- (5) Shareholders’ funds exclude non-controlling interest.
- (6) Other income includes exceptional items for the financial years 2022-23 and 2023-24.

- (7) Total expenditure excludes depreciation and amortization expenses and finance costs.  
(8) Return on net worth = profit after tax/ net worth or shareholders' fund.  
(9) Book value per share = net worth or shareholders' fund/ number of equity shares.

6.13. The pre and post Offer shareholding pattern of the Target Company as on June 30, 2024, assuming full acceptances is as provided below:

Shareholders' category		Shareholding and voting rights prior to the agreement/ acquisition and offer		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 acceptance)		Shares/voting rights after the acquisition and offer	
		(A)		(B)		(C)		(A)+(B)+(C) = (D)	
		No. of Equity Shares	% <sup>(1)</sup>	No. of Equity Shares	% <sup>(1)</sup>	No. of Equity Shares	% <sup>(1)</sup>	No. of Equity Shares	% <sup>(1)</sup>
<b>1</b>	<b>Promoters/ Promoter group</b>								
A	Parties to the agreement, if any	8,80,74,448	28.42	(8,80,74,448)	(28.42)	-	-	-	-
B	Promoters other than (A) above	10,000	0.00	-	-	-	-	10,000 <sup>(2)</sup>	0.00
	<b>Total 1 (1A+1B)</b>	<b>8,80,84,448</b>	<b>28.42</b>	<b>(8,80,74,448)</b>	<b>(28.42)</b>	<b>-</b>	<b>-</b>	<b>10,000<sup>(2)</sup></b>	<b>0.00</b>
<b>2</b>	<b>Acquirer</b>								
A	Acquirer <sup>(3)</sup>	7,05,64,656	22.77	10,13,91,231	32.72	8,05,73,273	26.00	25,25,29,160	81.49
	<b>Total 2 (2A)</b>	<b>7,05,64,656</b>	<b>22.77</b>	<b>10,13,91,231</b>	<b>32.72</b>	<b>8,05,73,273</b>	<b>26.00</b>	<b>25,25,29,160</b>	<b>81.49</b>
<b>3</b>	<b>Party to agreement (other than 1A or 2)</b>	<b>1,33,16,783</b>	<b>4.30</b>	<b>(1,33,16,783)</b>	<b>(4.30)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4</b>	<b>Public<sup>(3)(4)</sup> (other than 1, 2 or 3)</b>								
A	Insurance Companies / MFs/FPIs/Banks/ AIFs/ Target GDS	7,27,71,107	23.48	-	-	(8,05,73,273)	(26.00)	5,73,58,041	18.51
B	Others	6,51,60,207	21.03	-	-				
	<b>Total 4 (4A+4B)</b>	<b>13,79,31,314</b>	<b>44.51</b>	<b>-</b>	<b>-</b>	<b>(8,05,73,273)</b>	<b>(26.00)</b>	<b>5,73,58,041</b>	<b>18.51</b>
	<b>Grand Total (1+2+3+4)</b>	<b>30,98,97,201</b>	<b>100.00</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>30,98,97,201</b>	<b>100.00</b>

**Notes:**

- (1) Calculated as a percentage of the Equity Share Capital.  
(2) The Sellers under SPA 1 have agreed to procure that the 10,000 Equity Shares held by Chennai Super Kings Cricket Limited (a member of the promoter group of Target Company) shall be transferred to non-promoter third parties prior to the completion date under SPA 1.  
(3) Pursuant to the Underlying Transaction and the Open Offer, the Acquirer will become the promoter of the Target Company. Further, pursuant to completion of this Open Offer, if the shareholding of the public shareholders in the Target Company falls below the minimum public shareholding requirement as per Rule 19A of the SCRR read with SEBI (LODR) Regulations, the Acquirer 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.  
(4) The number of shareholders in the "public category" as on June 30, 2024, is 2,11,255.

## 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 (Scrip code: 530005) and NSE (Symbol: INDIACEM). The Target GDS are listed on Luxembourg Stock Exchange. The ISIN of the Equity Shares is INE383A01012.

7.1.2. The trading turnover in the Equity Shares, based on the trading volumes on the Stock Exchanges during the 12 (twelve) calendar months prior to the calendar month in which the PA was made, i.e., from July 1, 2023, to June 30, 2024 (“**Relevant Period**”), is as given below:

Stock exchange	Total traded volumes during the Relevant Period (“A”)	Total number of Equity Shares during the Relevant Period (“B”)	Trading turnover % (A/B)
BSE	14,16,38,343	30,98,97,201	46%
NSE	127,27,35,854	30,98,97,201	411%

Source: [www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com).

7.1.3. Based on the above, the Equity Shares are frequently traded on BSE and NSE for the purposes of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

7.1.4. The Offer Price of INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share has been determined in terms of Regulations 8(1) and 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sr. No.	Details	Price
(a)	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer i.e., the price per Sale Share under the SPAs	INR 390.00/-
(b)	The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the 52 (fifty two) weeks immediately preceding the date of the PA	INR 268.10/-
(c)	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer, during the 26 (twenty six) weeks immediately preceding the date of the PA	INR 283.69/-
(d)	The volume-weighted average market price of such shares for a period of 60 (sixty) trading days immediately preceding the date of the PA, as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, i.e., NSE, provided such shares are frequently traded	INR 286.00/-
(e)	Where the shares are not frequently traded, the price determined by the acquirer and the manager taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not applicable <sup>(1)</sup>
(f)	The per Equity Share value computed under Regulation 8(5) of the SEBI (SAST) Regulations, if applicable	Not applicable <sup>(2)</sup>

Source: Certificate dated July 28, 2024, issued by M/s G. P. Kapadia & Co. (FRN: 104768W) (Atul Babubhai Desai, Partner, membership no.: 030850).

#### Notes:

(1) Not applicable as the Equity Shares are frequently traded.

(2) Not applicable since the acquisition is not an indirect acquisition.

- 7.1.5. In view of the parameters considered and presented in the table in paragraph 7.1.4 above, the minimum offer price per Equity Share under Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations is the highest of above parameters, i.e., INR 390.00/- (Indian Rupees three hundred and ninety only) per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations. The Offer Price for partly paid-up Equity Shares will be computed as the difference between the Offer Price and the amount due towards calls-in-arrears including interest, if any, thereon.
- 7.1.6. As on the date of this DLOF, there have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters in terms of Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be adjusted by the Acquirer, in consultation with the Manager, in the event of any corporate action(s) such as issuances pursuant to rights issue, bonus issue, stock consolidations, stock splits, payment of dividend, de-mergers, reduction of capital, etc. where the record date for effecting such corporate action(s) falls prior to the 3<sup>rd</sup> (third) Working Day before the commencement of the Tendering Period, in accordance with Regulation 8(9) of the SEBI (SAST) Regulations.
- 7.1.7. An upward revision to the Offer Price or to the Offer Size, if any, on account of competing offers or otherwise, may be undertaken by the Acquirer at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period of this Offer, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. Further, in the event of any acquisition of the Equity Shares by the Acquirer, during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price per Equity Share, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition, in terms of Regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares after the 3<sup>rd</sup> (third) Working Day before the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 7.1.8. As on the date of this DLOF, there is no revision in the Offer Price or Offer Size. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the Escrow Amount in the Open Offer Escrow Account; (b) make a public announcement in the same newspapers in which this DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision.
- 7.1.9. If the Acquirer 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 Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public 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 in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2021, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of shares of the Target Company in any form.

## 7.2. **Financial Arrangements**

- 7.2.1. The Maximum Consideration, i.e., total funding requirement for the Open Offer assuming full acceptance of the Offer, is INR 3142,35,76,470.00 (Indian Rupees three thousand one hundred and forty two crore thirty five lakh seventy six thousand four hundred and seventy only).
- 7.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer and the Manager have entered into the Escrow Agreement dated July 28, 2024 with the Escrow

Agent, i.e., Axis Bank Limited (having its registered office at 3<sup>rd</sup> Floor, Trishul, Opposite Samrtheswar Temple, Law Garden, Ellis Bridge, Ahmedabad – 380 006, India and acting through its branch located at Gokhale Road Branch, Ground Floor, Sixth Sense Mall, at Junction of Gokhale Road, Elphinston Road & Sayani road, Parel, Mumbai 400025), and the Acquirer has created an Open Offer Escrow Account named “**UltraTech Cement Limited - Open Offer - 2024 - Escrow Account**” with the Escrow Agent.

- 7.2.3. By way of security for performance by the Acquirer of their obligations under the SEBI (SAST) Regulations, it has deposited INR 400,00,00,000/- (Indian Rupees four hundred crore only) in the Open Offer Escrow Account. The amount deposited in the Open Offer Escrow Account is in compliance with the requirements of deposit of escrow amount as per Regulation 17 of the SEBI (SAST) Regulations i.e., 25% of the first INR 500,00,00,000/- (Indian Rupees five hundred crore only) of the Maximum Consideration and 10% of the remainder of the Maximum Consideration. The cash deposit has been confirmed by the Escrow Agent by way of a confirmation letter dated July 30, 2024. Further, fixed deposits have been created against the aforesaid escrow amount and a lien is marked in favour of the Manager.
- 7.2.4. The Acquirer has authorised the Manager to operate and realize the value of the Escrow Account as per the provisions of the SEBI (SAST) Regulations.
- 7.2.5. The Escrow Agent is neither an associate company nor a group company of the Acquirer or the Target Company.
- 7.2.6. The Acquirer has confirmed that it has adequate and firm financial resources to fulfil the obligations under the Open Offer and has made firm financial arrangements for implementation of the Open Offer, in terms of Regulation 25(1) of the SEBI (SAST) Regulations. The source of funds for the Acquirer is its internal resources.
- 7.2.7. M/s. G. P. Kapadia & Co. (FRN: 104768W) having its office at 4<sup>th</sup> Floor, Hamam House, Ambalal Doshi Marg, Mumbai - 400 001, Tel. No.: +91 22 2265 4239; +91 22 2265 4313 (Atul Babubhai Desai, Partner, membership no.: 030850), has *vide* its certificate dated July 28, 2024, certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfil their obligations under this Offer.
- 7.2.8. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfil its obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.
- 7.2.9. In case of any upward revision in the Offer Price or the Offer Size, a corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer, in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

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

### **8.1. Operational Terms and Conditions**

- 8.1.1. The Acquirer is making this Offer to all Public Shareholders to acquire up to 8,05,73,273 Equity Shares, constituting 26.00% of the Equity 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 Acquirer 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. As disclosed in paragraph 6.5 of this DLOF, as on the date of this DLOF, out of the 30,98,96,036 fully paid-up Equity Shares, interest remains due and payable to the Target Company in regard to erstwhile calls-in-arrears on 1,682 Equity Shares (held by 11 Public Shareholders). Such 1,682 Equity Shares may be tendered in the Open Offer subject to such Public Shareholders making full payment to the Target Company of the interest amounts due. The Public Shareholders holding such 1,682 Equity Shares may contact the Target Company for further information regarding the interest amount that is due and payable.
- 8.1.4. In terms of the indicative schedule of major activities, the Tendering Period for the Offer shall commence on Thursday, September 19, 2024, and close on Thursday, October 3, 2024.
- 8.1.5. 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 Acquirer has 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.
- 8.1.6. 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.
- 8.1.7. 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.
- 8.1.8. 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.
- 8.1.9. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period or thereafter.
- 8.1.10. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 8.1.11. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirer in consultation with the Manager to the Offer. All the Equity Shares validly tendered under this Offer will be acquired by the Acquirer in accordance with the terms and conditions set forth in the LOF, to the extent of the Offer Size.

- 8.1.12. Copies of PA and DPS are available and copies of the DLOF and the LOF (including Form of Acceptance) are expected to be available on the website of SEBI at [www.sebi.gov.in](http://www.sebi.gov.in).
- 8.1.13. The Identified Date for this Offer as per the schedule of activities is Wednesday, September 4, 2024. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the LOF would be sent. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer.
- 8.1.14. The LOF shall be sent to all Public Shareholders whose names appear in the register of members of the Target Company on the Identified Date. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in manner whatsoever. In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF and the Form of Acceptance from the website of the Registrar to the Offer ([www.kfintech.com](http://www.kfintech.com)) or the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com)).
- 8.1.15. The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of the Open Offer. The Public Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer along with the Form of Acceptance and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the date of the Closure of the Tendering Period. Alternatively, the Letter of Offer along with the Form of Acceptance will also be available at SEBI's website, [www.sebi.gov.in](http://www.sebi.gov.in), and the Public Shareholders can also apply by downloading such forms from the website.
- 8.1.16. 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.
- 8.1.17. The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 8.1.18. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period, in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of a revision in the Offer Price or Offer Size, the Acquirer shall: (a) make corresponding increases to the Escrow Amount in the Open Offer Escrow Account; (b) make a public announcement in the same newspapers in which the DPS has been published; and (c) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges, and the Target Company at its registered office of such revision. In case of any revision of the Offer Price, the Acquirer will pay such revised price for all the Equity Shares validly tendered in the Open Offer and accepted under the Open Offer in accordance with the terms of the LOF.

## 8.2. **Locked-in Equity Shares**

Locked-in Equity Shares held by Public Shareholders, if any, may be tendered in the Open Offer and transferred to the Acquirer 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 non-locked-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 10<sup>th</sup> (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 non-submission 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. The acceptance of this Open Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

8.3.5. The holders of Target GDS will not be entitled to participate in the Open Offer, unless they convert their Target GDS into Equity Shares in accordance with applicable law.

8.3.6. Target GDS holders who present their Target GDS for cancellation to the depository will be able to take possession of the corresponding Equity Shares in book-entry form only and, as a result, they must have, or must establish, a custodian or brokerage (demat) account in India to receive such Equity Shares prior to presenting their Target GDS to the depository for cancellation. Establishing such custodian or brokerage (demat) account may be subject to delay as a result of operational procedures and as the opening of such account may be subject to regulatory approvals in India.

8.3.7. Please be advised that if any Target GDS holder converts their Target GDS into Equity Shares, but decides not to participate in the Open Offer for any reason or any Equity Shares are not accepted on account of the aggregate number of Equity Shares tendered being more than the Offer Size, there is no assurance that such holder would be able to deposit its Equity Shares and obtain Target GDS.

## 8.4. **Statutory and Other Approvals**

8.4.1. As on the date of the DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Equity Shares that are validly tendered pursuant to this Offer and/or to complete the Underlying Transaction, except the Required Statutory Approval (i.e., the approval of the Competition Commission of India under the Competition

Act, 2002, as amended, required for the consummation of the Underlying Transaction and the Open Offer). However, if any further 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 and the Acquirer shall make necessary applications for such approvals.

- 8.4.2. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender Equity Shares (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India (including non-resident Indians, foreign institutional investors and foreign portfolio investors) had required any 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 Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares. Public Shareholders classified as overseas corporate bodies (“OCB”), if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer.
- 8.4.3. Subject to the receipt of the statutory and other approvals (including the Required Statutory Approval) set out herein, the Acquirer 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 Acquirer 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 Acquirer 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.
- 8.4.4. In case of delay in receipt of any statutory or other approval(s) (including the Required Statutory Approval) which may be required by the Acquirer, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that such delay in receipt of the requisite statutory or other approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approval(s), grant an extension of time for the purpose of completion of this Open Offer, subject to such terms and conditions as may be specified by SEBI, including payment of interest by the Acquirer to the Public Shareholders whose Equity Shares have been accepted in the Offer, at such rate as may be prescribed by SEBI from time to time, in accordance with Regulations 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- 8.4.5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, the Acquirer shall have the right to withdraw the Open Offer, in the event that, for reasons outside the reasonable control of the Acquirer, (a) any statutory or other approvals specified in this paragraph 8.4 of this DLOF including the Required Statutory Approval or those which become applicable prior to completion of the Open Offer are finally refused and/or (b) any of the conditions precedent under the SPAs as specified in paragraphs 3.1.6, 3.1.7 and 3.1.8 of this DLOF are not met. In the event of such a withdrawal of the Open Offer, the Acquirer (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.

- 8.4.6. Subject to the receipt of the statutory and other approvals (including the Required Statutory Approval), if any, the Acquirer 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 OF THE OFFER

- 9.1. All Public Shareholders, registered or unregistered, holding Equity Shares in dematerialised form or physical form, are eligible to participate in this Offer at any time from Offer Opening Date to Offer Closing Date.

- 9.2. A tender of Equity Shares pursuant to any of the procedures described in the Letter of Offer will constitute a binding agreement between the Acquirer and the tendering holder, including the tendering holder's acceptance of the terms and conditions of the Letter of Offer.

- 9.3. BSE shall be the designated stock exchange for the purpose of tendering shares in the Offer ("**Designated Stock Exchange**").

### 9.4. Procedure for acceptance and settlement of the Offer

- 9.4.1. The Open Offer will be implemented by the Acquirer through stock exchange mechanism made available by the Stock Exchanges i.e., BSE and NSE, in the form of separate window ("**Acquisition Window**") as provided under the SEBI (SAST) Regulations and SEBI's Master Circular dated February 16, 2023, bearing reference number SEBI/HO/CFD/PoD-1/P/CIR/2023/31 ("**Master Circular**").

- 9.4.2. The Open Offer is made to the Public Shareholders as defined in this Draft Letter of Offer. While the Letter of Offer along with Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company, whose names appear on the register of members of the Target Company and the records of the respective Depositories at the close of business hours on the Identified Date, all Public Shareholders holding Equity Shares are eligible to participate in the Open Offer at any time during the Tendering Period.

- 9.4.3. Accidental omission to send the Letter of Offer to any person to whom the Open Offer is made or the non-receipt or delayed receipt of the Letter of Offer by any such person will not invalidate the Open Offer in any way.

- 9.4.4. The Acquirer has appointed Axis Capital Limited ("**Buying Broker**") as their broker for the Open Offer through whom the purchases and settlement of the Equity Shares tendered in the Open Offer shall be made. The contact details of the Buying Broker are as mentioned below:



#### AXIS CAPITAL LIMITED

1<sup>st</sup> Floor, Axis House, C-2 Wadia International Centre,  
P. B. Marg, Worli, Mumbai - 400 025

**Tel:** +91 22 4325 2183; **Fax:** +91 22 4325 3000

**Contact Person:** Amrish Parmar

**Email:** [indiacements.openoffer@axiscap.in](mailto:indiacements.openoffer@axiscap.in)

**SEBI Registration Number:** INZ000189931

- 9.4.5. Public Shareholders who desire to tender their Equity Shares under the Offer would have to intimate their respective stock brokers ("**Selling Brokers**") within the normal trading hours of the secondary market, during the Tendering Period. The Selling Broker can enter orders for dematerialised as well as physical Equity Shares through the Acquisition Window.
- 9.4.6. Public Shareholders have to ensure that their Equity Shares are made available to their Selling Brokers in order to mark lien before the closure of the Tendering Period.
- 9.4.7. A separate Acquisition Window will be provided by the Stock Exchanges to facilitate the placing of orders. The Selling Broker would be required to place an order / bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the order / bid, the Selling Broker will be required to mark lien on the tendered Equity Shares. Details of such Equity Shares marked as lien in the demat account of the Public Shareholders shall be provided by the depository to the Indian Clearing Corporation limited and National Securities Clearing Corporation Limited ("**Clearing Corporation**").
- 9.4.8. In terms of the Master Circular, a lien shall be marked against the Equity Shares tendered in the Offer. Upon finalization of the entitlement, only the accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder
- 9.4.9. The lien marked against unaccepted Equity Shares will be released, if any, or would be returned by registered post or by ordinary post or courier (in case of physical shares) at the Public Shareholders' sole risk. Public Shareholders should ensure that their depository account is maintained till all formalities pertaining to the Offer are completed.
- 9.4.10. The Registrar to the Offer will hold in trust the Form of Acceptance, Equity Shares, and/or other documents on behalf of the Public Shareholders of the Target Company who have accepted the Offer, until the e-payments/warrants/cheques/drafts for the consideration are remitted / dispatched and unaccepted share certificate/Equity Shares, if any, are dispatched/returned to the relevant Public Shareholders.
- 9.4.11. The details of settlement number under which lien will be marked shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ Clearing Corporation, before the Offer Opening Date.
- 9.4.12. The cumulative quantity tendered shall be displayed the websites of the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com); [www.nseindia.com](http://www.nseindia.com)) throughout the trading session at specific intervals during the Tendering Period.
- 9.4.13. Modification/cancellation of bids will not be allowed during the Tendering Period. Multiple bids made by single Public Shareholder for selling the Equity Shares shall be clubbed and considered as 'one' bid for the purposes of acceptance.
- 9.4.14. The reporting requirements for non-resident shareholders under FEMA and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Public Shareholder and/ or their Selling Broker.
- 9.5. **Procedure for tendering Equity Shares held in Dematerialised Form**
- 9.5.1. Public Shareholders who are holding Equity Shares in dematerialised form and who desire to tender their Equity Shares in dematerialised form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer. Public Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.

- 9.5.2. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the Stock Exchanges. Before placing the bid, lien will be required to be marked on the tendered Equity Shares. Details of the Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by their respective depositories to the Clearing Corporation.
- 9.5.3. For custodian participant, orders for Equity Shares in dematerialised form early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by Stock Exchanges on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 9.5.4. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges/ the Clearing Corporation, before the opening of the Offer.
- 9.5.5. The lien shall be marked by the Selling Broker in the demat account of the Public Shareholder for the Equity Shares tendered in the Open Offer. Details of such Equity Shares marked as lien in the demat account of the Public Shareholder shall be provided by the depositories to the Clearing Corporation.
- 9.5.6. Upon placing the bid, the Selling Broker shall provide a Transaction Registration Slip (“TRS”) generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/bid submitted like bid identification number, depository participant identification, client identification number, number of Equity Shares tendered, etc. In case of non-receipt of the completed tender form and other documents, but where lien is marked on Equity Shares and a valid bid has been placed in the exchange bidding system, the bid by such Eligible Shareholder shall be deemed to have been accepted.
- 9.5.7. On receipt of TRS from the respective Selling Broker, the Public Shareholder has successfully placed the bid in the Open Offer. Modification/cancellation of orders will not be allowed during the tendering period of the Offer.
- 9.5.8. The duly filled in delivery instruction slips (“DIS”) specifying the appropriate market type in relation to the Open Offer, and execution date along with all other details should be submitted by the Public Shareholders to their respective depository participant/Selling Broker so as to ensure that the Equity Shares are tendered in the Offer. For resident Public Shareholders holding Equity Shares in dematerialised form, submission of Form of Acceptance and TRS is not mandatory, but are advised to retain the acknowledged copies of the DIS and TRS with them until the expiry of the Offer Period. After lien is marked on Equity Shares and a valid bid is placed in the exchange bidding system, the bid shall be deemed to have been accepted for the Public Shareholders holding Equity Shares in dematerialised form.
- 9.5.9. Public Shareholders will have to ensure that they keep their DP account active and unblocked to successfully facilitate the tendering of Equity Shares.
- 9.5.10. **The Public Shareholders holding shares in dematerialised form are not required to fill any Form of Acceptance, unless required by their respective Selling Broker.**
- 9.5.11. All non-resident Public Shareholders (i.e., Public Shareholders not residing in India including NRIs, OCBs and FPIs) are mandatorily required to fill the Form of Acceptance. The non-resident Public Shareholders holding Equity Shares in dematerialised form, directly or through their respective Selling Brokers, are required to send the Form of Acceptance along

with the required documents to the Registrar to the Offer at its address given on the cover page of the LOF. The envelope should be super scribed as “The India Cements Limited - Open Offer”. The detailed procedure for tendering Equity Shares will be included in the Form of Acceptance.

**9.6. Procedure for tendering the Equity Shares held in physical form**

- 9.6.1. As per the provisions of Regulation 40(1) of the SEBI (LODR) Regulations and SEBI's press release dated December 03, 2018, bearing reference no. PR 49/2018, requests for transfer of securities shall not be processed unless the securities are held in dematerialised form with a depository with effect from April 01, 2019. However, in accordance with the circular issued by SEBI bearing reference number SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. Accordingly, Public Shareholders holding Equity Shares in physical form as well are eligible to tender their Equity Shares in this Open Offer as per the provisions of the SEBI (SAST) Regulations. Accordingly, the procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is as detailed below.
- 9.6.2. Public Shareholders who are holding Equity Shares in physical form and intend to participate in the Open Offer will be required to approach their respective Selling Broker along with the complete set of documents for verification procedures to be carried out, including the (i) original share certificate(s), (ii) valid share transfer form(s), i.e. Form SH-4, duly filled and signed by the transferors (i.e., by all registered shareholders in same order and as per the specimen signatures registered with the Target Company) and duly witnessed at the appropriate place, (iii) self-attested copy of the shareholder's PAN Card, (iv) Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint Public Shareholders whose name(s) appears on the share certificate(s) in the same order in which they hold Equity Shares, and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable.
- 9.6.3. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the 'Register of Members' of the Target Company, the Public Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: (i) valid Aadhar card, (ii) voter identity card; or (iii) passport.
- 9.6.4. Based on these documents, the Selling Broker shall place the bid on behalf of the Public Shareholder holding Equity Shares in physical form who wishes to tender Equity Shares in the Open Offer, using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Selling Broker shall provide a TRS generated by the bidding system of the Stock Exchanges to the Public Shareholder. The TRS will contain the details of the order submitted like folio number, share certificate number, distinctive number of Equity Shares tendered etc.
- 9.6.5. The Selling Broker/Public Shareholder has to deliver the original share certificate(s) and documents (as mentioned above) along with the TRS either by registered post/speed post or courier or hand delivery to the Registrar to the Offer i.e., KFin Technologies Limited so as to reach them no later than the Offer Closing Date (by 5:00 p.m. Indian Standard Time). The envelope should be super scribed as “The India Cements Limited - Open Offer”. 1 (one) copy of the TRS will be retained by the Registrar, and it will provide acknowledgement of the



same to the Selling Broker/Public Shareholder. Physical share certificates and other relevant documents should not be sent to the Acquirer, the Target Company or the Manager to the Offer. The Acquirer, the Manager and the Registrar to the Offer do not accept any responsibility for any loss of documents during transit (including but not limited to Form of Acceptance, delivery instruction slips, original share certificates, share transfer forms, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.

- 9.6.6. The Public Shareholders holding Equity Shares in physical form should note that such Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the Equity Shares in physical form shall be subject to verification as per the SEBI (SAST) Regulations and any further directions issued in this regard. The Registrar will verify such bids based on the documents submitted on a daily basis and till such time the Stock Exchanges shall display such bids as 'unconfirmed physical bids'. Once the Registrar confirms the bids, they will be treated as 'confirmed bids'.
- 9.6.7. All documents as mentioned above, shall be enclosed with the Form of Acceptance, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) If there is any other company's equity share certificate(s) enclosed with the Form of Acceptance instead of the Equity Share certificate(s) of the Target Company; (ii) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; (iii) If the Public Shareholders tender Equity Shares but the Registrar to the Offer does not receive the Equity Share certificate(s); (iv) In case the signature on the Form of Acceptance and Form SH-4 does not match as per the specimen signature recorded with Target Company/registrar of the Target Company.
- 9.6.8. In case any Public Shareholder has submitted Equity Shares in physical form for dematerialisation, such Public Shareholders should ensure that the process of having the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before the Offer Closing Date.

**The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance.**

- 9.7. **Procedure for tendering the shares in case of non-receipt of LOF:**
- 9.7.1. All the Public Shareholders of the Target Company, holding the Equity Shares whether in dematerialised form or physical form, registered or unregistered are eligible to participate in this Open Offer at any time during the Tendering Period for this Open Offer.
- 9.7.2. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer. Accidental omission to send the LOF to any person to whom the Offer is made or the non-receipt or delayed receipt of the LOF by any such person will not invalidate the Offer in any way.
- 9.7.3. A Public Shareholder may participate in the Open Offer by approaching their broker/Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in the LOF and the Form of Acceptance.
- 9.7.4. The LOF along with the Form of Acceptance will be sent (through electronic mode or physical mode) to all the Public Shareholders of the Target Company as on the Identified

Date. A Public Shareholder receiving the LOF along with the Form of Acceptance through electronic mode will be entitled to be furnished with a physical copy of the said documents upon receipt of requisition, if any, by e-mail at [indiacements.openoffer@kfintech.com](mailto:indiacements.openoffer@kfintech.com) or by a letter addressed to the Registrar to the Offer. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may (i) download the same from the SEBI website ([www.sebi.gov.in](http://www.sebi.gov.in)) and can apply by using the same; or (ii) obtain a physical copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. Alternatively, you can download the soft copy from the registrar's website [www.kfintech.com](http://www.kfintech.com).

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

#### 9.8. **Acceptance of Shares**

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

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

9.8.3. The marketable lot for the Equity Shares of the Target Company for the purpose of this Offer shall be 1 (one) Equity Share.

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

#### 9.9. **Settlement Process**

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

9.9.2. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market in accordance with the Master Circular. Upon finalization of the entitlement, only accepted quantity of Equity Shares will be debited from the demat account of the concerned Public Shareholder. Selling Broker(s) shall use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of the Clearing Corporation.

9.9.3. The Public Shareholders holding shares in dematerialised form will have to ensure that they update their bank account details with their correct account number used in core banking

and IFSC codes, keep their depository participant (“DP”) account active and unblocked to successfully facilitate the tendering of the Equity Shares and to receive credit in case of return of Equity Shares due to rejection or due to prorated acceptance.

- 9.9.4. For Equity Shares accepted under the Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders bank account linked to the demat account. If the relevant Public Shareholder’s bank account details are not available or if the funds transfer instruction is rejected by RBI/relevant bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective Public Shareholder’s account.
- 9.9.5. In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker’s settlement accounts for releasing the same to their respective Shareholder’s account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.
- 9.9.6. For Equity Shares in physical form, the funds pay-out would be given to Public Shareholder’s respective Selling Broker’s settlement bank accounts for onward transfer to the respective Public Shareholder’s account. The Target Company is authorized to split the share certificate and issue a new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance/ rejection will be returned to the Public Shareholders directly by the Registrar to the Offer through registered post. Unaccepted share certificate(s), transfer deed(s) and other documents, if any, will be returned by registered post at the registered Public Shareholders’/unregistered owners’ sole risk to the sole/first Public Shareholder/unregistered owner.
- 9.9.7. The direct credit of Equity Shares shall be given to the demat account of the Acquirer as indicated by the Buying Broker.
- 9.9.8. Once the basis of acceptance is finalised, the lien marked against unaccepted shares shall be released. Buying Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer. Further, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of Equity Shares to the demat account of the Acquirer. The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation’s Bank account as per the prescribed schedule.
- 9.9.9. Any Equity Shares that are: (i) subject matter of litigation; or (ii) held in abeyance or prohibited/restricted from being transferred pursuant to any pending court cases/attachment orders/restriction from other statutory authorities; are liable to be rejected unless directions/orders of an appropriate court/tribunal/statutory authority permitting the transfer of such Equity Shares are received together with the Equity Shares tendered under the Open Offer.
- 9.9.10. Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and

the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.

- 9.9.11. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirer for payment of consideration to the Public Shareholders who have accepted the Open Offer within such period, subject to the Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulations 18 (11) and 18(11A) of the SEBI (SAST) Regulations, 2011.

## **10. NOTE ON TAXATION**

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

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

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

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

### **10.1. General:**

- 10.1.1. 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 1 April until March 31 of the following year.
- 10.1.2. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, in a manner as provided under the Income Tax Act, 1961 ("IT Act"), as amended from time to time.
- 10.1.3. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e., income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India (including income deemed to be received in India).

- 10.1.4. Since the Target Company is incorporated in India, the Equity Shares are “situated” in India and any gains arising to a non-resident on transfer of such shares is taxable in India under the IT Act.
- 10.1.5. Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement (“**DTAA**”) between India and the respective country of which the said shareholder is a tax resident subject to satisfying the relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting (“**Multilateral Instrument/ MLI**”) as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of General Anti-Avoidance Rule (“**GAAR**”) and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.
- 10.1.6. The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, and corresponding withholding tax obligation based on the period of holding, residential status, classification of the shareholder, nature of the income earned, etc.
- 10.1.7. 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.
- 10.1.8. In addition to income tax, as the tendering of Equity Shares is being undertaken on Stock Exchange, such transaction will be chargeable to Securities Transaction Tax (“**STT**”). STT is payable in India on the value of securities on every purchase or sale of securities that are listed on any Indian stock exchange. Currently, the STT rate applicable on the purchase and sale of shares on the stock exchange is 0.1% of the value of security transacted.
- 10.1.9. All references to equity shares herein are to listed equity shares unless stated otherwise.

## 10.2. **Classification of Shareholders**

Shareholders can be broadly classified under the following categories:

### 10.2.1. Resident Shareholders being:

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

### 10.2.2. Non-Resident Shareholders being:

- (a) Non-Resident Indians (“**NRIs**”)
- (b) Foreign Institution Investors (FIIs)/Foreign Portfolio Investors (FPIs)
- (c) Others:
  - (i) Company; and
  - (ii) Other than company

### 10.3. **Classification of Shares**

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

10.3.1. Shares held as investment: Income arising from transfer of shares taxable under the head “**Capital Gains**”.

10.3.2. Shares held as stock-in-trade: Income arising from transfer taxable under the head “**Profits and Gains from Business or Profession**”.

### 10.4. **Taxability of Capital Gains in the hands of shareholders (To be read along with the section on point q pertaining to the amendments proposed in Union Budget for Financial Year 2024-25)**

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

10.4.2. Period of Holding:

Depending on the period for which the shares are held, the gains would be taxable as ‘short term capital gain’ or ‘long-term capital gain’. Such classification would be determined as under:

(a) Short-term Capital Asset (“**STCA**”): Equity shares held for less than or equal to 12 (Twelve) months.

(b) Long-term Capital Asset (“**LTCA**”): Equity share held for more than 12 (Twelve) months.

10.4.3. Accordingly, gains arising from transfer of a STCA are taxable as ‘Short-term Capital Gains’ (“**STCG**”). Gains arising from transfer of a LTCA are taxable as ‘Long-term Capital Gains’ (“**LTCG**”).

10.4.4. As per Section 112A of the IT Act, LTCG arising on sale of listed equity shares will be subject to tax at the rate of 10% if STT has been paid on both, purchase and sale of shares (except in certain cases notified by CBDT vide Notification No. 60/2018 dated 1 October 2018) and if the aggregate LTCG during the financial year exceeds INR 1 Lakh. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing LTCG subject to tax under Section 112A of the IT Act.

10.4.5. As per Section 112A of the IT Act, LTCG will be computed without considering the indexation benefit as per the terms of Section 48 of the IT Act. The cost of acquisition will be computed in accordance with the provisions of Section 55 read with Section 112A of the IT Act. In terms of Section 55 read with Section 112A of the IT Act, if investments were made on or before 31 January 2018, a method of determining the cost of acquisition of such investments has been specifically laid down such that gains up to 31 January 2018 are grandfathered. To clarify, if the equity shares on which STT is paid were acquired prior to 31 January 2018, the cost of acquisition of such shares should be higher of: (a) actual cost of acquisition and (b) lower of (i) fair market value as on 31 January 2018 (highest quoted price on 31 January 2018 or immediately prior trading day if shares were not traded on 31 January 2018) and (ii) actual sale consideration.

- 10.4.6. If STT is not paid at the time of acquisition of the shares being acquired under the Open Offer and they do not fall within the exceptions identified under Notification No. 60/2018/F.No.370142/9/2017-TPL dated 1 October 2018, then the entire LTCG arising to the shareholder shall be subject to tax at 10% (plus applicable surcharge and cess) under Section 112 of the IT Act or 20% (plus applicable surcharge and cess) after claiming indexation benefit which is relevant in case of resident shareholders.
- 10.4.7. STCG realized on sale of listed equity shares (STT paid) will be subject to tax at the rate of 15% under Section 111A of the IT Act. The said rate will be increased by applicable surcharge and cess. Further, no deduction under Chapter VI-A would be allowed in computing STCG subject to tax under Section 111A of the IT Act.
- 10.4.8. As per the seventh proviso to Section 48 of the IT Act, no deduction of amount paid on account of STT will be allowed in computing the income chargeable to tax as Capital Gains.
- 10.4.9. 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.
- 10.4.10. The provisions of Section 115JB of the IT Act do not apply to a foreign company if it is a resident of a country with which India has entered into a DTAA under Section 90/90A of the IT Act and the assessee does not have a Permanent Establishment in India or such company is a resident of a country with which India does not have such agreement and the assessee is not required to seek registration under any law for the time being in force, relating to companies.
- 10.4.11. As per Section 70 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent 8 (Eight) assessment years, for being set off against subsequent years' STCG as well as LTCG, in terms of Section 74 of the IT Act.
- 10.4.12. 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.
- 10.4.13. Additional information in case of Foreign Institutional Investors ("FIIs"):
- (a) As per Section 2(14) of the IT Act, any securities held by a FII which has invested in the equity shares in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, will be treated as capital assets. Accordingly, any gains arising from transfer of such securities will be chargeable to tax in the hands of FIIs as capital gains.
  - (b) Under Section 115AD(1)(ii) of the IT Act, STCG arising to a FII on transfer of shares (STT paid) will be chargeable at the rate of 15%.
  - (c) Under Section 115AD(1)(iii) of the IT Act, income by way of LTCG arising from transfer of shares will be chargeable to tax at the rate of 10%. Provided that in case of income arising from the transfer of a LTCA referred to in Section 112A, income-tax at the rate of 10% will be calculated on such income exceeding INR 100,000.
  - (d) Such capital gains would be computed without giving effect to the first and second proviso to Section 48. In other words, adjustment in respect of foreign exchange

fluctuation and benefit of indexation would not be allowed while computing the Capital Gains.

- (e) The above rates are to be increased by applicable surcharge and cess.
- (f) Further, no deduction under Chapter VI-A would be allowed in computing STCG and as well as LTCG.
- (g) The CBDT has vide Notification No. 9/2014 dated 22 January 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.

#### 10.4.14. Additional Information in case of NRIs:

Where the shares of the Target Company were acquired or purchased in convertible foreign exchange, NRIs, i.e., individuals being citizen of India or person of Indian origin who are not resident, have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

- (a) Under Section 115E of the IT Act, the LTCG arising to an NRI will be taxable at the rate of 10% (plus applicable surcharge and cess). While computing the LTCG, the benefit of indexation of cost would not be available.
- (b) Under Section 115F of the IT Act, LTCG arising to an NRI from the transfer of the shares acquired or purchased in convertible foreign exchange shall be exempt from income-tax, if the net consideration is reinvested in specified assets, within 6 (Six) months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within 3 years from the date of their acquisition.
- (c) Under Section 115G of the IT Act, it will not be necessary for an NRI to furnish his return of income under Section 139(1) of the IT Act if his income chargeable under the IT Act consists of only investment income or LTCG or both; arising out of assets acquired, purchased or subscribed to in convertible foreign exchange and tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the IT Act.
- (d) Further, no deduction under Chapter VI-A would be allowed in computing LTCG.
- (e) As per provisions of Section 115-I of the IT Act, an NRI may elect not to be governed by provisions of Chapter XII-A and compute his total income as per other provisions of the IT Act.

10.4.15. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) providing and maintaining necessary information and documents as prescribed under the IT Act.

#### 10.4.16. Investment Funds

Under Section 10(23FBA) of the IT Act, any income of an Investment Fund, other than the income chargeable under the head "Profits and gains of business or profession" would be



exempt from income-tax. For this purpose, an “Investment Fund” means a fund registered as Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternate Investment Fund) Regulations, 2012.

#### 10.4.17. Mutual Funds

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

#### 10.4.18. **The Government of India has recently announced the Union Budget for Financial Year 2024-25 (“Budget”). Pursuant to the Budget, the Finance Bill (No.2), 2024 to be read with amendments proposed in Finance Bill (No.2) dated 6 August 2024, inter alia, proposes to amend the capital gains tax rates mentioned above, with effect from the date of announcement of the Budget i.e. 23 July 2024:**

- (a) Where the tax on Long term capital gains as per section 112A (plus applicable surcharge and health and education cess) is increased to 12.5% in excess of INR 1.25 Lakh;
- (b) Further the tax on Short term capital gains as per section 111A (plus applicable surcharge and health and education cess) is increased to 20%;
- (c) Further the tax on Long term capital gains as per section 112 (plus applicable surcharge and health and education cess) is revised to 12.5%;
- (d) Further the tax on Long term capital gains as per section 115AB (plus applicable surcharge and health and education cess) is increased to 12.5%;
- (e) Further the tax on Short term capital gains as per section 115AD is increased to 20% (plus applicable surcharge and health and education cess) and the tax on Long term capital gains is increased to 12.5% (plus applicable surcharge and health and education cess) in excess of INR 1.25 Lakh;
- (f) Further the tax on Long term capital gains as per section 115E (plus applicable surcharge and health and education cess) is increased to 12.5%;
- (g) Further the indexation benefit that was discussed above in the case of all shareholders will not be available;
- (h) **However, since the Finance Bill (No. 2), 2024 have not yet been enacted into law the shareholders are advised to consult their own tax advisors to understand their tax liability as per the laws prevailing on the date of disposal of Equity Shares. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder, subject to certain conditions. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.**

10.5. **Taxability of business income in hands of shareholders (Shares held as Stock-in-Trade):**

10.5.1. Where gains realized from sale of listed equity shares are taxable as business income, they will be taxable at applicable tax rates to such shareholders. The loss if any can be carried forward in accordance with the provisions of the IT Act.

10.5.2. In terms of Section 36(1)(xv) of the IT Act, STT paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from the amount of income chargeable under the head "Profit and gains of business or profession", if the income arising from taxable securities transaction is included in such income.

10.5.3. Section 90(2) of the IT Act, provides relief to a non-resident, where there is a DTAA between India and the country of residence of the non-resident shareholder and the provisions of the DTAA are more favourable to the taxpayer, subject to satisfying relevant conditions including but not limited to (a) conditions present in the said DTAA (if any) read with the relevant provisions of the MLI as ratified by India with the respective country of which the said shareholder is tax resident; (b) non-applicability of GAAR; and (c) maintaining necessary information and documents as prescribed under the IT Act.

10.6. **Withholding Tax implications**

10.6.1. Remittance/Payment of Consideration

(a) Resident shareholders:

(i) As of the date of filing of this document, in the absence of any provisions under the IT Act casting an obligation on the buyer to deduct tax on income arising in the hands of the resident seller on transfer of any property (other than immovable property), the Acquirer is not required to withhold tax on the consideration payable to eligible shareholders pursuant to tendering of shares under the Open Offer.

(ii) With effect from 1 July 2021, Finance Act 2021 creates an obligation on the buyer of goods to withhold tax under Section 194Q at the rate of 0.1% when buying goods from an Indian resident. The withholding obligation only exists where the consideration for goods exceeds INR 5,000,000 and the buyer had a business turnover of more than INR 100,000,000 (in the immediately preceding year). The term "goods" has not been defined and may cover shares.

(iii) As per Circular No 13 of 2021 dated 30 June 2021 issued by the CBDT, the provisions of Section 194Q is not applicable where the transactions in securities and commodities are traded through recognized stock exchange. Therefore, the Acquirer is not required to withhold tax under Section 194Q on consideration payable to resident shareholders.

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

(b) Non-resident shareholders – FIIs

Section 196D of IT Act, provides for a specific exemption from withholding tax at source from any income, by way of Capital Gains arising to an FII from the transfer of

securities referred to in Section 115AD of the IT Act. Thus, no withholding of tax is required in case of consideration payable to FIIs/FPIs.

- (c) Non-resident shareholders (other than FIIs):
- (i) Each non-resident shareholder will confirm its status by selecting the appropriate box in the Form of Acceptance-cum-Acknowledgement.
  - (ii) Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax under the provisions of the IT Act is required to deduct tax at source at applicable rates in force.
  - (iii) However, the Acquirer will not be able to deduct income-tax at source on the consideration payable to such non-resident shareholders as there is no ability for the Acquirer to deduct taxes since the remittance/payment will be routed through the stock exchange, and there will be no direct payment by the Acquirer to the non-resident shareholders.
  - (iv) Since the tendering of shares under the Open Offer is through the stock exchange, the responsibility to discharge tax due on the gains (if any) is on the non-resident shareholder given that practically it is not possible to withhold taxes and the Acquirer 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 custodians/ authorized dealers/ non-resident shareholders – with no recourse to the Acquirer. It is therefore recommended that the non-resident shareholders consult their custodians/ authorized dealers/ tax advisors appropriately. In the event the Acquirer is held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer should be indemnified.
  - (v) The non-resident shareholders must file their tax return in India inter alia considering gains arising pursuant to this Open Offer. The non-resident shareholders also undertake to provide the Acquirer, on demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

#### 10.6.2. Remittance/Payment of Interest

- (a) In case of interest, if any, paid by the Acquirer to Public Shareholders (all such shareholders being resident shareholders) for delay in receipt of statutory approvals as per Regulation 18(11) of the SEBI (SAST) Regulations or in accordance with Regulation 18(11A) of the SEBI (SAST) Regulations, the final decision to deduct tax or the quantum of taxes to be deducted rests solely with the Acquirer depending on the settlement mechanism for such interest payments. In the event, to withhold tax, the same shall be basis the documents submitted along with the Form of Acceptance-cum-Acknowledgement or such additional documents as may be called for by the Acquirer. It is recommended that the Public Shareholders consult their custodians/ authorized dealers/ tax advisors appropriately with respect to the taxability of such interest amount (including on the categorisation of the interest, whether as capital gains or as other income). In the event the Acquirer is held liable for the tax liability of the Public Shareholder, the same shall be to the account of the Public Shareholder and to that extent the Acquirer should be indemnified.
- (b) The Public Shareholders must file their tax return in India inter alia considering the interest (in addition to the gains on the sale of shares), if any, arising pursuant to this Open Offer. The Public Shareholders also undertake to provide to the Acquirer, on

demand, the relevant details in respect of the taxability/ non-taxability of the proceeds pursuant to this Open Offer, copy of tax return filed in India, evidence of the tax paid etc.

**10.7. Rate of Surcharge and Cess (To be read along with the section on point vii pertaining to the amendments proposed in Union Budget for Financial Year 2024-25)**

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

**10.7.1. Surcharge**

- (a) In case of domestic companies: Surcharge at 12% is leviable where the total income exceeds INR 100,000,000 and at 7% where the total income exceeds INR 10,000,000 but less than INR 100,000,000.
- (b) In case of domestic companies liable to pay tax under Section 115BAA or Section 115BAB: Surcharge at 10% is leviable.
- (c) In case of companies other than domestic companies: Surcharge at 5% is leviable where the total income exceeds INR 100,000,000 and at 2% where the total income exceeds INR 10,000,000 but less than INR 100,000,000.
- (d) In case of individuals, HUF, AOP, BOI:
  - (i) Surcharge at the rate of 10% is leviable where the total income exceeds INR 5,000,000 but does not exceed INR 10,000,000.
  - (ii) Surcharge at the rate of 15% is leviable where the total income exceeds INR 10,000,000 but does not exceed INR 20,000,000.
  - (iii) Surcharge at the rate of 25% is leviable where the total income exceeds INR 20,000,000 but does not exceed INR 50,000,000.
  - (iv) Surcharge at the rate of 37% is leviable where the total income exceeds INR 50,000,000.
- (e) However, for the purpose of income chargeable under Section 111A, 112A and 115AD(1)(b) (for income chargeable to tax under the head capital gains), the surcharge rate shall not exceed 15%.
- (f) In case of Firm and Local Authority: Surcharge at 12% is leviable where the total income exceeds INR 10,000,000.
- (g) **However in the Budget, it is proposed that the surcharge shall not apply on advance tax / tax computed on income of specified fund (referred to in clause (c) of the Explanation to clause (4D) of section 10) that is chargeable under clause (a) of sub-section (1) of section 115AD of the Act.**

**10.7.2. Cess**

Health and Education Cess at 4% is currently leviable in all cases

**10.8. Others**

10.8.1. Notwithstanding the details provided above, all payments will be made to the Public Shareholders subject to compliance with prevailing tax laws.

10.8.2. The tax deducted by the Acquirer while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the

obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income-tax authorities.

- 10.8.3. The Acquirer will deduct tax (if required) as per the information provided and representation made by the Public Shareholders. In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided/to be provided by the Public Shareholder, such Public Shareholder will be responsible to pay such income-tax demand under the IT Act and provide the Acquirer with all information/documents that may be necessary and co-operate in any proceedings before income tax/ appellate authority in India.

**THE ABOVE NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.**

**THIS NOTE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, YOU SHOULD CONSULT WITH YOUR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO YOUR PARTICULAR CIRCUMSTANCES.**

## **11. DOCUMENTS FOR INSPECTION**

The Acquirer shall make arrangements for the following material documents to be made available for inspection by the Public Shareholders of the Target Company at Ahura Centre, B - Wing, 2<sup>nd</sup> Floor, Mahakali Caves Road, Andheri (East), Mumbai 400 093, India on any Working Day between 10.30 am to 3.00 pm during the Tendering Period:

- 11.1. Copies of the Articles and Memorandum of Association and certificate of incorporation of the Acquirer;
- 11.2. Copies of SPAs dated July 28, 2024 (execution versions);
- 11.3. Copies of the annual reports of the Acquirer for the financial years ended March 31, 2024, March 31, 2023, and March 31, 2022, and the consolidated unaudited limited reviewed financial statements of the Acquirer for the 3 (three) months ended June 30, 2024;
- 11.4. Copies of the consolidated audited financial statements of the Target Company for the financial year ended March 31, 2024, and the annual reports of the Target Company for the financial years ended March 31, 2023, and March 31, 2022;
- 11.5. Copy of the certificate dated July 28, 2024, issued by M/s. G. P. Kapadia & Co., Chartered Accountants (FRN: 104768W) (Atul Babubhai Desai, Partner, membership no.: 030850) certifying the adequacy of financial resources of the Acquirer to fulfil their obligations under this Offer;
- 11.6. Copy of the certificate dated July 28, 2024, issued by M/s. G. P. Kapadia & Co., Chartered Accountants (FRN: 104768W) (Atul Babubhai Desai, Partner, membership no.: 030850), certifying the computation of the Offer Price;
- 11.7. Copy of the Escrow Agreement dated July 28, 2024, entered into between the Acquirer, the Escrow Agent and the Manager to the Offer;
- 11.8. Copy of the letter dated July 30, 2024, received from the Escrow Agent, confirming receipt of the requisite escrow amount in the Open Offer Escrow Account;

- 11.9. Copy of the PA dated July 28, 2024, the DPS published in the newspapers on August 2, 2024, and the offer opening public announcement;
- 11.10. Copy of the recommendation published by the committee of independent directors of the Target Company in relation to the Offer; and
- 11.11. Copy of SEBI Observation letter no. [•], dated [•], in regard to the DLOF.

Copies of the aforementioned documents will also be available for inspection to the Public Shareholders electronically during the Tendering Period. Public Shareholders interested in inspecting any of the aforementioned documents electronically are requested to send an email from their registered email ids with the subject line “Documents for Inspection – The India Cements Limited - Open Offer” (along with the details of their shareholding, DP ID and Client ID and, in case of a corporate shareholder, a copy of the authority letter granting authority on behalf of the corporate shareholder to inspect documents), to the Manager to the Offer at [indiacements.openoffer@axiscap.in](mailto:indiacements.openoffer@axiscap.in), and access would be provided to the respective Public Shareholders for electronic inspection upon receipt and processing of such a request.

## **12. DECLARATION BY THE ACQUIRER**

- 12.1. The Acquirer and its directors, in their capacity as directors of the Acquirer, accept full responsibility for the information contained in the PA, the DPS and this DLOF (other than as specified in paragraph 12.3 below) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer.
- 12.2. The Acquirer shall be responsible for ensuring compliance with the provisions of the SEBI (SAST) Regulations and for their obligations as laid down in the SEBI (SAST) Regulations and subsequent amendments made thereto.
- 12.3. The information pertaining to the Target Company contained in the PA, the DPS, the DLOF or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The information pertaining to the Sellers contained in the PA, the DPS the DLOF or any other advertisement/publications made in connection with the Open Offer has been obtained from the Sellers. The Acquirer does not accept any responsibility with respect to any information provided in the PA, the DPS, the DLOF pertaining to the Target Company or the Sellers.

**For and on behalf of the Acquirer**

**K. C. Jhanwar**  
**Managing Director**

**Date:** Mumbai  
**Place:** August 9, 2024