

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

This Draft Letter of Offer (“DLOF”) is sent to you as a Shareholder(s) of **Angel Fibers Limited (“AFL”/“Target Company”)**. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement to the Members of the Stock Exchange through whom the said sale was effected.

OPEN OFFER BY**Mr. Jitendra G. Raiyani (“Acquirer”)****Residing at** Radhe Shyam, Plot No. 28, Silver Stone-1, Street no. 3, 150 feet Ring Road, Behind Oscar Towar, Rajkot, Gujarat-360005**Contact No.:**+91 99798 73993; **FAX:** - Not Available; **E-Mail ID:** jitendraraiyani9681@gmail.com(hereinafter referred to as “**Acquirer No. 1**”)**Mr. Rameshkumar Jivrajbhai Ranipa (“Acquirer”)****Residing at** 301, Krishna Palace, Swastik Society, Opp. Essar House, Patel Colony, Jamnagar, Gujarat-361008;**Contact No.:**+91 98252 12209; **FAX:** - Not Available; **E-Mail ID:** ramesh.ranipa@yahoo.co.in(hereinafter referred to as “**Acquirer No. 2**”)(Acquirer No. 1 and Acquirer No. 2 hereinafter collectively referred to as “**Acquirers**”)**TO THE SHAREHOLDERS OF****ANGEL FIBERS LIMITED (“Target Company”)****A Public Limited Company Incorporated under the Companies Act, 1956**

(CIN:L17200GJ2014PLC078738);

Registered Office: Shivalik-2, Shop No.6, Nr. Pushkardham Temple, University Road, Rajkot 360005.**Contact No.:** 76220 22349 / 94267 85557; **FAX:** - Not Available;**E-Mail ID:** info@angelfibers.com/cs@angelfibers.com; **Website:** www.angelfibers.com.

TO ACQUIRE UP TO 6500000 EQUITY SHARES OF ₹ 10 EACH REPRESENTING 26.00% OF EQUITY SHARE CAPITAL/VOTING CAPITAL OF THE TARGET COMPANY IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011, AS AMENDED (“SEBI (SAST) REGULATIONS, 2011”) AT A PRICE OF ₹ 9.00 (RUPEES NINE ONLY) PER EQUITY SHARE (“OFFER PRICE”), PAYABLE IN CASH.

Please Note:

1. This Offer is being made by the Acquirers pursuant to Regulation 3(1) and 4 of SEBI (SAST) Regulations 2011 and subsequent amendments thereof for substantial acquisition of shares/voting rights accompanied with change in control.
2. This Offer is not conditional upon any minimum level of acceptance by the Shareholder(s) of the Target Company.
3. As on date of this Draft Letter of Offer, there are no statutory approvals required to acquire equity shares that are validly tendered pursuant to this Open Offer. However, the Open Offer would be subject to all Statutory Approvals that may become applicable at a later date but before completion of the Open Offer.
4. If there is any upward revision in the Offer Price/Offer Size sought to be acquired under the Open Offer by the Acquirers at any time up to last 1 (One) working day prior to commencement of the Tendering Period **i.e. May 14, 2020 (Thursday)** in terms of the SEBI (SAST) Regulations, 2011, the same would also be informed by way of an announcement in the same newspapers where the Detailed Public Statement (“DPS”) was published. Such revised Offer Price would be payable to all the Shareholders, who have validly tendered their Equity Shares anytime during the Tendering Period to the extent their Equity Shares have been verified and accepted under the Offer, by the Acquirers. If the Offer is withdrawn pursuant to Regulation 23 of SEBI (SAST) Regulations, 2011, the same would be communicated within two (2) working days by an announcement in the same newspapers in which the DPS had been published. Such announcement will also be sent to the Stock Exchange, SEBI and the Target Company at its registered office.
5. **This is not a competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations, 2011.**
6. **There has been no competing offer or revision of Offer Price as on date of this Draft Letter of Offer.**
7. A copy of the Public Announcement, Detailed Public Statement, Draft Letter of Offer and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement) are / will be available on SEBI’s Website: www.sebi.gov.in.
8. All correspondence relating to this Offer, if any, should be addressed to the Registrar to the Offer, viz. Bigshare Services Private Limited or Manager to the Offer.

MANAGER TO THE OFFER**REGISTRAR TO THE OFFER****BEELINE BROKING LIMITED****CIN:**U51900GJ2014PLC080598**Registered Office Address:-**Office No. 1 To 3,Vishwa Complex, First Floor, Opp. Jain Derasar, Navrangpura, Ahmedabad– 380 009.**Merchant Banking Division:** 807, Phoenix Tower, Opp. New Girish Cold Drinks, Near Vijay Cross Road, Navarangpura, Ahmedabad-380009**Tel. No.:**+91 79 48405357/6357**E-Mail ID:**mb@beelinemb.com**Website:** www.beelinebroking.com**Contact Person:** Mrs. Khushbu Shah**SEBI Reg. No.:** INM000012546**BIGSHARE SERVICES PRIVATE LIMITED****CIN:** U99999MH1994PTC076534**Address:-** 1st Floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana Road, Marolnaka, Andheri East, Mumbai, Maharashtra- 400059;**Tel. No.:**+91-022-62638200;**Fax:** +91-022-62638280;**E-Mail ID:** openoffer@bigshareonline.com;

investor@bigshareonline.com

Website:-www.bigshareonline.com**Contact Person:** Mr. Arvind Tandel**SEBI Reg. No.:** INR000001385**Offer Opens on: May 18, 2020 (Monday)****Offer Closes on: June 1, 2020 (Monday)**

TENTATIVE SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER

Particulars	Date	Day
Date of the Public Announcement (PA)	March 17, 2020	Tuesday
Date of publishing the Detailed Public Statement (DPS)	March 24, 2020	Tuesday
Last date for filing of Draft Letter of Offer with SEBI	April 1, 2020	Wednesday
Last date of a competing offer	April 21, 2020	Tuesday
Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications or additional information from the Manager to the Offer)	April 28, 2020	Tuesday
Identified Date*	April 30, 2020	Thursday
Last date by which the Letter of Offer will be dispatched to the Shareholders (Except the Acquirers and the Selling Shareholders) as on the identified date	May 11, 2020	Monday
Last date by which the recommendation of the committee of Independent Directors of the Target Company will be given and published	May 14, 2020	Thursday
Last Date for upward revision of the Offer Price/number of shares	May 14, 2020	Thursday
Date of Public Announcement for Opening the Offer in the newspapers in which the DPS was published	May 15, 2020	Friday
Date of Commencement of the Tendering Period (Offer Opening Date)	May 18, 2020	Monday
Date of Closing of the Tendering Period (Offer Closing Date)	June 1, 2020	Monday
Last date of communicating the rejection/ acceptance and completion of payment of consideration or return of Equity Shares to the Public Shareholders	June 15, 2020	Monday

* Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Draft Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirer, PAC and Sellers) are eligible to participate in the Offer any time before the closure of the Offer.

RISK FACTORS:

RISKS RELATED TO THE TRANSACTION, THE PROPOSED OPEN OFFER AND THE PROBABLE RISKS INVOLVED IN ASSOCIATING WITH THE ACQUIRERS.

(A) Relating to the Transaction:

1. The Open Offer is subject to the compliance of the terms and conditions as set out under the Share Purchase Agreement (“SPA”) dated March 17, 2020. In accordance with the Share Purchase Agreement, the transaction under the Share Purchase Agreement shall be completed upon the fulfillment of conditions precedent agreed between the Acquirers and the Sellers in the SPA Agreement.

Except as stated below there are no conditions, the meeting of which would be outside reasonable control of Acquirers and in view of which the offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations stipulated in the SPA which threatens or questions the validity or enforceability of the SPA or any of the transaction contemplated in SPA between Sellers and Acquirers:

Target Company has received application in form no. 5 dated January 3, 2020 from Operational Creditor namely Shree Ganesh Cotton Industries, one of the suppliers of the company, to initiate corporate insolvency resolution process under the code/rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paisa only). Further Target Company has filed counter affidavit/Petition dated March 6, 2020 in response to above application, being the matter related to dispute of quality and allowances matter for raw material supplied by the operational creditor. If a Corporate Debtor (Target Company) is accepted into the CIRP (Corporate Insolvency Resolution Process) by National Company Law Tribunal (“NCLT”) – Ahmedabad Bench, NCLT- Ahmedabad Bench will i) Declare Moratorium, ii) Cause a Public Announcement of the initiation of corporate insolvency resolution process and call for the submission of claims by operational creditors iii) Appoint an Interim resolution Professional. Subsequently, the management is placed under an independent “Interim Resolution Professional” till the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the activities of the company.

On triggering of aforesaid event of CIRP (Corporate Insolvency Resolution Process) by NCLT Ahmedabad Bench, the situation will be outside the reasonable control of Acquirers and consequently Acquirers will withdraw this open

offer under Regulation 23 of SEBI (SAST) Regulations and will rescind the SPA dated March 17, 2020 and sellers will immediately refund the amount received from the Acquirers towards sale shares.

Shree Ganesh Cotton Industries (“Operational Creditor”) had filed Rebuttal Affidavit/Petition dated March 17, 2020 before the National Company Law Tribunal (“NCLT”) - Ahmedabad Bench against the response to counter affidavit (dated March 6, 2020) filed by the Target Company, for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paisa only) from Target Company. The copy of Rebuttal Affidavit/Petition filed by Operational creditor dated March 17, 2020 was received by the Target Company on March 20, 2020.

NCLT-Ahmedabad Bench had adjourned the matter for hearing to April 1, 2020 for all the matters listed for hearing on March 9, 2020. The notice of NCLT dated March 30, 2020 issued in appended to various notices dated March 22, 2020 and March 28, 2020 stating that all the matters which were to be listed from March 23, 2020 to April 14, 2020 shall be suitably listed from April 15, 2020 onwards before respective NCLT benches.

(Source: Information provided by the Sellers/Target Company).

(B) Relating to the Proposed Offer:

- 1) **In terms of SPA dated March 17, 2020, there is a condition stipulated the meeting of which would be outside reasonable control of Acquirers and in view of which the offer might be withdrawn under regulation 23 of the SEBI (SAST) Regulations stipulated in the SPA which threatens or questions the validity or enforceability of the SPA or any of the transaction contemplated in SPA between Sellers and Acquirers w.r.t. ongoing litigation matter:**

Target Company has received application in form no. 5 dated January 3, 2020 from Operational Creditor namely Shree Ganesh Cotton Industries, one of the suppliers of the company, to initiate corporate insolvency resolution process under the code/rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paisa only). Further Target Company has filed counter affidavit/Petition dated March 6, 2020 in response to above application, being the matter related to dispute of quality and allowances matter for raw material supplied by the operational creditor.

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If a Corporate Debtor (Target Company) is accepted into the CIRP (Corporate Insolvency Resolution Process) by National Company Law Tribunal (“NCLT”) – Ahmedabad Bench, NCLT- Ahmedabad Bench will i) Declare Moratorium, ii) Cause a Public Announcement of the initiation of corporate insolvency resolution process and call for the submission of claims by operational creditors iii) Appoint an Interim resolution Professional. Subsequently, the management is placed under an independent “Interim Resolution Professional” till the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the activities of the company.

On triggering of aforesaid event of CIRP (Corporate Insolvency Resolution Process) by NCLT Ahmedabad Bench, the situation will be outside the reasonable control of Acquirers and consequently Acquirers will withdraw this open offer under Regulation 23 of SEBI (SAST) Regulations and will rescind the SPA dated March 17, 2020 and sellers will immediately refund the amount received from the Acquirers towards sale shares. Consequently Acquirers will not proceed for the proposed open offer of acquiring up to 65,00,000 Equity Shares constituting 26% of the existing equity and voting capital of Angel Fibers Limited from the eligible persons for the Offer.

Present status of aforesaid litigation matter filed with NCLT as on the date of filing of this DLOF:

NCLT-Ahmedabad Bench had adjourned the aforesaid matter for hearing to April 1, 2020 for all the matters listed for hearing on March 9, 2020. The notice of NCLT dated March 30, 2020 issued in appended to various notices dated March 22, 2020 and March 28, 2020 stating that all the matters which were to be listed from March 23, 2020 to April 14, 2020 shall be suitably listed from April 15, 2020 onwards before respective NCLT benches.

(Source: Information provided by the Sellers/Target Company).

- 2) This Offer is not subject to the receipt of any statutory approvals. If any Statutory Approval is required or become applicable at a later date and therefore, in the event that either the statutory approvals or regulatory approvals, if any, are not

received in a timely manner or there is any litigation to stay the Offer, or SEBI instructs the Acquirers not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, the payment of consideration to the public shareholders of Target Company, whose Equity Shares have been accepted in the Offer as well as the return of shares not accepted by the Acquirers, may be delayed. In case of delay in receipt of any statutory approval, SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the public shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirers agreeing to pay interest for the delayed period, if directed by SEBI, in terms of Regulation 18(11) of the Regulations.

- 3) The offer involves an offer to acquire up to 26% of the existing equity and voting capital of Angel Fibers Limited from the eligible persons for the Offer. In case of an over-subscription in the Offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the shareholders in the Offer will be accepted.
- 4) Shareholders should note that Equity Shares once tendered in the Offer, such shareholders will not be entitled to withdraw such acceptances. Shareholders who tender the Equity Shares in acceptance of the Offer shall not be entitled to withdraw their shares, even if the acceptance of equity shares under this Offer and dispatch of consideration are delayed.
- 5) The Shareholders are advised to consult their respective tax advisers for assessing the tax liability pursuant to Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirers do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the Letter of Offer.
- 6) The Acquirers and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this Draft Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers, excluding such information pertaining to the Target Company, which has been obtained from publicly available sources or provided or confirmed by the Target Company. Any person placing reliance on any other source of information will be doing so at his/her/its own risk.

(C) Relating to the Acquirers:

1. The Acquirers make no assurance with respect to the financial performance of the Target Company.
2. The Acquirers make no assurance with respect to their investment/disinvestment decisions relating to their proposed shareholding in the Target Company.
3. The Acquirer intends to acquire up to 65,00,000 fully paid-up equity shares of ₹.10/- each, representing 26% of the existing equity and voting capital at a price of ₹ 9 (Rupees Nine Only) per equity share, payable in cash under the SEBI (SAST) Regulations.

The Acquirers do not provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

4. Assuming full acceptance of 65,00,000 fully paid up equity shares, post offer public shareholding will be reduced to 17.53% in the target company. Pursuant to Regulation 7(4) of SEBI (SAST) Regulations, 2011 acquirers hereby undertake to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957 and also company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India. Any failure to do so could have an adverse effect on the price of the Equity Shares of the Target Company.
5. The Acquirers and the Manager to the Offer accepts no responsibility for the statements made otherwise than in the Public Announcement (PA)/Detailed Public Statement (DPS)/Draft Letter of Offer (DLoF)/Letter of Offer (LoF) and anyone placing reliance on any other sources of information, not released by the Acquirers, would be doing so at his / her / its own risk.

The Risk Factors set forth above pertain to the Offer and does not relate to the present or future business or operations of the Target Company or any other matters and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by any Shareholder in the Offer. Each Shareholder of the Target Company is hereby advised to consult with legal, financial, tax, investment or other advisors and consultants of their choosing, if any, for further risks with respect to each such Shareholder's participation in the Offer.

Currency of Presentation:

1. In this Draft Letter of Offer, all references to “₹”/“Rs.”/“Rupees”/“INR” are references to Indian Rupee(s), the official currency of India.
2. In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/or regrouping.

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1. ABBREVIATIONS AND DEFINITIONS

Term	Definition/Abbreviation
Acquirers	Mr. Jitendra G. Raiyani (Acquirer No. 1) and Mr. Rameshkumar Jivrajbhai Ranipa (Acquirer No. 2)
BSE	BSE Limited, Mumbai
CDSL	Central Depository Services (India) Limited
NSDL	National Securities Depository limited
Companies Act	Companies Act, 1956 and Companies Act, 2013
DP	Depository Participant
DPS/Detailed Public Statement	Detailed Public Statement relating to the Offer published on March 24, 2020 (Tuesday).
DLoF/Draft Letter of Offer	This Draft Letter of Offer dated April 1, 2020 (Wednesday)
Eligible Persons for the Offer	All owners (registered or unregistered) of Equity Shares of the Target Company who own the shares at any time before the Closure of the Offer (except the Acquirers and the Sellers)
Equity Share Capital/Voting Capital	Paid-up Equity Share Capital of ₹ 25,00,00,000 /- comprising of 2,50,00,000 Equity Shares of ₹ 10.00 each
Equity Shares	Fully paid-up Equity Shares of the Target Company of the Face Value of ₹ 10.00 each
Escrow Account	Escrow Account shall mean an account opened with the Escrow Agent/Escrow Bankers by the Acquirers empowering the Manger to Offer to operate the account for making payment to Shareholders as per terms specified in the Escrow Agreement entered on March 17, 2020.
Escrow Agent/Escrow Bank	IndusInd Bank Limited
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII's	Foreign Institutional Investors registered with SEBI
Identified Date	April 30, 2020 (Thursday) i.e. date falling on the tenth (10th) Working Day prior to the commencement of Tendering Period, for the purposes of determining the Public Shareholders to whom this Letter of Offer shall be sent.
IFSC	Indian Financial System Code
Income Tax Act	Income Tax Act, 1961, as amended from time to time
₹/INR/Rs	Indian Rupees, the legal currency of India
Manager/Manager to the Offer	Beeline Broking Limited
MICR	Magnetic Ink Character Recognition

NA/N.A.	Not Applicable
NCLT	National Company Law Tribunal
Non-Resident Shareholder(s)	Persons resident outside India as defined under FEMA, holding Equity Shares of the Target Company
NRI	Non-Resident Indian
OCBs	Overseas Corporate Bodies
Offer period	Period from the date of entering into an agreement, to acquire Equity Shares, Voting Rights in, or control over a Target Company requiring a Public Announcement, or the date of Public Announcement, and the date on which the payment of consideration to Shareholders who have accepted the Open Offer is made, or the date on which the Open Offer is withdrawn.
Offer/Open Offer	The Open Offer is made by the Acquirers to the Public Shareholders to acquire up to 6500000 Equity Shares, representing 26.00% of the Equity Share Capital of the Target Company.
Offer Price	₹ 9.00 (Rupees Nine only) per Equity Share
Offer Size	Up to 6500000 Equity Shares representing 26.00% of Equity Share Capital of the Target Company at a price of ₹ 9.00 (Rupees Nine only) per Equity Share, aggregating to ₹ 5,85,00,000/- (Rupees Five Crores Eighty Five Lakhs Only).
PA/Public Announcement	Public Announcement of the Offer issued by the Manager to the Offer, on behalf of the Acquirers on March 17, 2020 (Tuesday).
Promoter(s)	Promoters of Target Company and shall have the meaning ascribed to the term under the Securities and Exchange Board of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.
Public Shareholder(s)	The Equity Shareholder(s) of the Target Company other than the Acquirers and the Promoters/Sellers of the Target Company.
Registrar/Registrar to the Offer	Bigshare Services Private Limited
RTGS	Real Time Gross Settlement
Sale Shares	1,41,18,680 (One Crore Forty One Lakh Eighteen Thousand Six Hundred and Eighty only) of face value of ₹ 10.00 each at a price of ₹ 9.00 each of Angel Fibers Limited.
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended or modified from time to time
SEBI (LODR) Regulations, 2015	Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, and subsequent amendments thereof
SEBI (SAST) Regulations, 2011/ SEBI (SAST) Regulations/Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, and subsequent amendments thereof
Sellers/Selling Shareholders/Existing Promoters of Target Company	Mr. Ashok Mavjibhai Dudhagara and Mrs. Prafulaben Ashokbhai Dudhagara
SPA/Agreement	Share Purchase Agreement entered on March 17, 2020 (Tuesday)
Stock Exchange(s)	BSE Limited
Target Company/AFL	Angel Fibers Limited
Tendering Period	Period within which Public Shareholders of the Target Company may tender their Equity Shares in acceptance to the Offer, i.e. the period between and including May 18, 2020 (Monday) to June 1, 2020 (Monday).
TRS	Transaction Reference Slip

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 SHAREHOLDERS OF ANGEL FIBERS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES AND CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE

THAT ACQUIRERS DULY DISCHARGES HIS RESPONSIBILITY ADEQUATELY IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, BEELINE BROKING LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED APRIL 1, 2020 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3. DETAILS OF THE OFFER

3.1 BACKGROUND OF THE OFFER

3.1.1 The Acquirers have agreed to acquire from the promoters of the Target Company namely Mr. Ashok Mavjibhai Dudhagara and Mrs. Prafulaben Ashokbhai Dudhagara (“Sellers”), 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares (“Sale Shares”) of face value of ₹ 10.00 each which constitutes 56.47% of the issued, paid up and subscribed equity share capital of Target Company (including 53,04,840 Equity Shares constituting 21.22% of the issued, paid up and subscribed equity share capital of the Target company are pledged with Lender(s) – State Bank of India (SBI) and 51,25,000 Equity Shares constituting 20.50% of the issued, paid up and subscribed equity share capital of the Target Company are Lock-In upto March 7, 2021), for an aggregate consideration of ₹ 12,70,68,120 (Twelve Crores Seventy Lakhs Sixty Eight Thousand One Hundred and Twenty Only), i.e. ₹ 9 (Rupees Nine Only) per Equity Share (“Negotiated Price”) through a Share Purchase Agreement dated March 17, 2020 (“SPA”). Consequent upon acquisition of Sale Shares, the Shareholding of the Acquirers will be holding 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares constituting 56.47% of the issued, paid up and subscribed equity share capital of Target Company. Pursuant to SPA, the Acquirers shall hold majority of Equity Shares by virtue of which they shall be in a position to exercise control over management and affairs of the Target Company. This offer is made in terms of Regulations 3(1) and 4 of the Takeover Regulations.

3.1.2 The important clauses including some of the conditions precedent to consummating the underlying Transaction, as mentioned in the SPA are as follows:

1. CONSIDERATION:

- 1.1 Sellers have agreed to transfer the shareholding of 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares which constitutes 56.47% of the issued, paid up and subscribed equity share capital of Target Company and the Acquirers have agreed to take over the shareholding of 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares of face value of Rs. 10/- each from Seller @ ₹ 9.00 per share, thus the total amount of consideration comes to Rs. 12,70,68,120 (Twelve Crores Seventy Lakhs Sixty Eight Thousand One Hundred and Twenty Only). (“Total Consideration” or “Purchase Consideration”).
- 1.2 An earnest money deposit of Rs. 3,81,20,436 (Rupees Three Crores Eighty One Lakhs Twenty Thousand Four Hundred and Thirty Six Only) (30.00% of the total consideration) will be paid at the time of execution of this Agreement.
- 1.3 30% of total consideration amounting to Rs. 3,81,20,436 (Rupees Three Crores Eighty One Lakhs Twenty Thousand Four Hundred and Thirty Six Only) (30.00% of the total consideration) will be paid on or before March 30, 2020.
- 1.4 30% of total consideration amounting to Rs. 3,81,20,436 (Rupees Three Crores Eighty One Lakhs Twenty Thousand Four Hundred and Thirty Six Only) will be paid on or before April 15, 2020.
- 1.5 Balance 10% of total consideration amounting to Rs.1,27,06,812 (Rupees One Crores Twenty Seven Lakh Six Thousand Eight Hundred and Twelve only) will be paid on completion of formalities of transfer of shares/completion of the formalities of takeover with SEBI/Stock Exchange and Other Regulatory Authorities, etc.

2. CHANGE OF CONTROLLING INTEREST:

The existing promoters of the Company have agreed to transfer 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares which constitutes 56.47% of the issued, paid up and subscribed equity share capital of Target Company @ ₹. 9.00 per share belonging to them, in favor of acquirers against the respective payments.

3. CHANGE OF MANAGEMENT:

- 3.1 The Acquirers shall purchase from the Seller and the Seller shall sell to the Acquirers, as legal and beneficial owners, the Sale Shares, free from all encumbrances 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares which constitutes 56.47% (including 53,04,840 Equity Shares constituting 21.22% of the issued, paid up and subscribed equity share capital of the AFL, which are pledged with Lender(s) and are subject to NOC/approval from lender(s)), and 51,25,000 Equity Shares which are under lock in upto March 7, 2021 and will continue to be locked-in in the hands of new Acquirers/Promoters as per Regulation 243 of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018, and together with all rights, title, interest and benefits appertaining thereto, for the Purchase Consideration to the Seller by the Acquirers.

- 3.2 The Acquirers are entitled to appoint themselves or their representatives on the Board of Directors of AFL, after an initial period of 15 working days from the date of Detailed Public Statement, subject to deposit of entire (100%) consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account, in terms of Proviso to regulation 24(1) read with regulation 17 of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.
- 3.3 The Acquirers may after the expiry of twenty-one working days from the date of detailed public statement, act upon this agreement and the acquirers may complete the acquisition of shares or voting rights in, or control over the target company as contemplated in this agreement, subject to deposit of entire (100%) consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account, in terms of Proviso to regulation 22(2) read with regulation 17 of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.

4. LIABILITIES AND RESPONSIBILITIES:

- (a) Sellers and Acquirers shall jointly approach to Lenders Banks to get approval /NOC for change in management (including transferring of Equity Shares duly pledged by the sellers with the lenders), release of personal guarantee and property of selling shareholder's group (except Non agriculture residential plot of ₹ 589.15 Lakhs (Rupees five Crores Eighty Nine Lakhs and Fifteen Thousand Only)) and by offering personal guarantee and properties acceptable to bank with equivalent valuation or as approved by bank of Acquirers as well as change in signatory authority with bank.
- (b) In case of delay in receipt of NOC/consent from the lenders (SBI) or any other secured Bankers by more than 15 days from the date of making an application for change in management or releasing of pledge shares of sellers for transferring to Acquirers, in such a case, Sellers or Acquirers may approach other lenders/Bankers or existing lenders/Bankers for takeover of loan for repayment of outstanding loan amount to existing lenders (SBI) and will further continue to proceed with the takeover formalities as per SEBI (Takeover) Regulations, 2011.
5. The Sellers will not transfer any of it existing shareholding of AFL to anyone except Acquirers till completion of Takeover formalities as prescribed under SEBI (Takeover) Regulations, 2011.
6. The Sellers will not acquire the Shares of AFL till the date of completion of Takeover formalities as prescribed under SEBI (Takeover) Regulations, 2011.
7. The Acquirers and person acting in concert with him shall not sell the shares of the target company held by them if any during the open offer period, as prescribed under SEBI (Takeover) Regulations, 2011.
8. As per the Audited Financial statement for year ended on 31st March 2019 company has contingent liabilities of Income Tax for the Assessment year 2015-16 of Rs.10,43,66,600.00 (Rupees Ten crores forty Three Lakhs sixty six thousand six hundred only) against which company has preferred appeal to commissioner of Income Tax (Appeal) by advance payment tax Rs. 1,15,00,000.00 (Rupees One crore fifteen lakhs only). As per the terms of agreement to secure the interest of Acquirers, Sellers is hereby agreed to allow collateral security in the form non agriculture residential plot of ₹ 589.15 Lakhs (Rupees five Crores Eighty Nine Lakhs and Fifteen Thousand Only) with bank till the conclusion of Appeal. If Appeal results in favour of company, then Acquirers shall whatever refund received in the Company from the Income Tax department against subject matter appeal and may release collateral security from bank.

9. Termination of Agreement

Target Company has received application in form no. 5 dated January 3, 2020 from Operational Creditor namely Shree Ganesh Cotton Industries, one of the suppliers of the company, to initiate corporate insolvency resolution process under the code/rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only). Further Target Company has filed counter affidavit/Petition dated March 6, 2020 in response to above application, being the matter related to dispute of quality and allowances matter for raw material supplied by the operational creditor. If a Corporate Debtor (Target Company) is accepted into the CIRP (Corporate Insolvency Resolution Process) by National Company Law Tribunal ("NCLT") – Ahmedabad Bench, NCLT- Ahmedabad Bench will i) Declare Moratorium, ii) Cause a Public Announcement of the initiation of corporate insolvency resolution process and call for the submission of claims by operational creditors iii) Appoint an Interim resolution Professional. Subsequently, the management is placed under an independent "Interim Resolution Professional" till the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the activities of the company.

On triggering of aforesaid event of CIRP (Corporate Insolvency Resolution Process) by NCLT Ahmedabad Bench, the situation will be outside the reasonable control of Acquirers and consequently Acquirers will withdraw this open offer under Regulation 23 of SEBI (SAST) Regulations and will rescind the SPA dated March 17, 2020 and sellers will immediately refund the amount received from the Acquirers towards sale shares. Further notwithstanding anything contained in any of the above clauses of this SPA, all the clauses and conditions stipulated shall automatically rescind.

3.1.3 The brief details of the Sellers and Acquirers are as under:

Name and Address of Acquirers entering in to SPA	Name and Address of Sellers	Part of Promoter Group	Details of Shares/Voting Rights held by the Selling Shareholders
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		(Yes/No)	Pre Transaction	
			No of Shares	%
Mr. Jitendra G. Raiyani* Address:- Radhe Shyam, Plot No. 28, Silver Stone-1, Street no. 3, 150 feet Ring Road, Behind Oscar Towar, Rajkot, Gujarat-360005	Mr. Ashok Mavjibhai Dudhagara** Address: A-88, Alap Avenue University Road, Rajkot 360005, Gujarat, India	Yes	11462320	45.85%
Mr. Rameshkumar Jivrajbhai Ranipa* Address:- 301, Krishna Palace, Swastik Society, Opp Essar House, Patel Colony, Jamnagar, Gujarat-361008	Mrs. Prafulaben Ashokbhai Dudhagara** Address: A-88, Alap Avenue University Road, Rajkot 360005, Gujarat, India	Yes	2656360	10.63%
	Total		14118680^	56.47%

*At present Mr. Jitendra G. Raiyani and Mr. Rameshkumar Jivrajbhai Ranipa are not holding Equity Shares of Target Company at the time of entering into SPA and are not forming a part of Promoter/Promoter Group of Target Company.

**The Sellers has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulation made under the SEBI Act, 1992.

^ Post completion of acquisition of 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares from Sellers who are existing promoters of the Angel Fibers Limited, Sellers will not be holding Equity Shares in Angel Fibers Limited.

- 3.1.4 The Proposed change in control of the Target Company is not through any Scheme of Arrangement.
- 3.1.5 Based on the information available, neither the Acquirers nor the Promoters/Sellers are in the list of “willful Defaulter” in terms of regulation (1)(ze) of SEBI (SAST) Regulations.
- 3.1.6 Acquirers are not debarred by SEBI from accessing capital market or from dealing in securities in terms of provisions of section 11B of the SEBI Act, 1992 or under any other Regulations of SEBI Act, 1992.
- 3.1.7 The Acquirers are entitled to appoint themselves or their representatives on the Board of Target Company, after an initial period of 15 working days from the date of Detailed Public Statement, subject to deposit of entire consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account, in terms of Proviso to regulation 24(1) read with regulation 17 of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.
- 3.1.8 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of TC are required to constitute a committee of Independent Directors to provide reasoned recommendation on this Offer to the Eligible Shareholders. Such recommendation shall be published at least two (2) working days before the commencement of the Tendering Period in the same newspapers where the Detailed Public Statement was published in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.
- 3.1.9 No other persons/individuals/entities are acting in concert with the Acquirers for the purpose of this Offer in terms of Regulation 2 (1) (q) of the SEBI (SAST) Regulations.

3.2 DETAILS OF THE PROPOSED OFFER

3.2.1 The PA announcing the Open Offer, under Regulation 3(1) and 4 read with Regulation 13, 14 and 15 of the Regulations was made on March 17, 2020 (Tuesday) and was sent to BSE Limited, Mumbai (BSE), Target Company and was filed with SEBI, Mumbai on March 17, 2020 (Tuesday).

In accordance with Regulations 13(4) and 14(3) of the SEBI (SAST) Regulations, the DPS was published on March 24, 2020 (Tuesday) in the following newspapers:

Publication	Language	Edition
Financial Express	English National Daily	All Editions
Jansatta	Hindi National Daily	All Editions

Financial Express	Gujarati	Ahmedabad
Mumbai Lakshdeep	Marathi	Mumbai

The Detailed Public Statement are also available on the website of SEBI at www.sebi.gov.in.

Simultaneously with the publication of DPS in the newspapers, a copy of the DPS was filed through the Manager to the Offer with SEBI, BSE and the Target Company at its Registered Office.

- 3.2.2 This Offer is made by the Acquirers to all Eligible Public Shareholders, to acquire up to 65,00,000 Equity Shares representing 26% of the Equity Share Capital/Voting Capital, at a price of ₹ 9.00 (Rupees Nine only) per Equity Share, to be paid in cash, in accordance with Regulation 9(1)(a) of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares and Takeovers) Regulations, 2011 and subject to the terms and conditions set out in the PA, the DPS and DLoF. These Shares are to be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all voting rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.
- 3.2.3 Offer Price of Fully paid up Equity Shares is ₹. 9 per Equity Share. Further there are no partly paid up Equity Shares in Target Company.
- 3.2.4 There is no differential pricing for the Offer.
- 3.2.5 This is not a Competing Offer in terms of Regulation 20 of the SEBI (SAST) Regulations. There has been no competing offer as of the date of this Draft Letter of Offer.
- 3.2.6 The Offer is unconditional and not subject to any minimum level of acceptance from the shareholders. In terms of Regulation 19(1) of the Regulations, the Acquirers will accept those Equity Shares of the Target Company which are tendered in valid form in terms of this Offer upto a maximum of 65,00,000 Equity Shares representing 26% of the Equity Share Capital/Voting Capital of the Target Company.
- 3.2.7 The Acquirers did not acquire any shares of the Target Company after the date of PA i.e. March 17, 2020 (Tuesday) up to the date of this DLoF.
- 3.2.8 As on date, the Manager to the Offer, Beeline Broking Limited does not hold any Equity Shares in the Target Company. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period as per Regulation 27(6) of the SEBI (SAST) Regulations.
- 3.2.9 Assuming full acceptance of 65,00,000 fully paid up equity shares of ₹ 10 each representing 26.00% of equity share capital/voting capital as of the tenth working day from the closure of the tendering period of the open offer from the eligible shareholders of the Target Company by the Acquirers, public shareholding will be reduced to 17.53% in the target company. As per Regulation 38 of SEBI (LODR) Regulations read with Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended (“SCRR”), the Target Company is required to maintain at least 25% Public Shareholding, on continuous basis for listing. As per sub rule 2 of rule 19A of the Securities Contract (Regulation) Rules, 1957, where the public shareholding in a listed company falls below twenty five percent at any time, such company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India. Pursuant to Regulation 7(4) of SEBI (SAST) Regulations, 2011, Acquirers hereby undertakes to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957.

3.3 OBJECT OF THE OFFER

- 3.3.1 This Mandatory Offer is being made to the public shareholders of Target Company pursuant to and in compliance with regulation 3(1) and 4 of the Regulations.
- 3.3.2 The object of acquisition is to acquire substantial shares/voting rights accompanied by control over the Target Company thereby exploring the business opportunity in textile sector through spinning unit.
- 3.3.3 The Acquirers may after the expiry of twenty-one working days from the date of detailed public statement, act upon this agreement and the acquirers may complete the acquisition of shares or voting rights in, or control over the target company as contemplated in this agreement, subject to deposit of entire (100%) consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account, in terms of Proviso to regulation 22(2) read with regulation 17 of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.

The Acquirers are entitled to appoint themselves or their representatives on the Board of Directors of AFL, after an initial period of 15 working days from the date of Detailed Public Statement, subject to deposit of entire (100%) consideration payable in the Open Offer, assuming full acceptance, in cash, in the Escrow Account, in terms of Proviso to regulation

24(1) read with regulation 17 of the Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers) Regulations, 2011.

However, as informed by sellers/Target Company, Target company has received application from one of the operational creditor (namely Shree Ganesh Cotton Industries) under code/Rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only) and due to this if there is triggering of any event of CIRP (Corporate Insolvency Resolution Process) by NCLT Ahmedabad Bench, resulting the situation which would be outside the reasonable control of Acquirers and consequently Acquirers will withdraw this Open Offer under Regulation 23 of SEBI (SAST) Regulations and will rescind the SPA dated March 17, 2020 and sellers will immediately refund the amount received from the Acquirers towards sale shares.

3.3.4 Acquirers may reorganize the present Capital Structure of the Company and also further strengthen the Board by appointing themselves or their representatives including appointment of new independent directors on the board of Target Company. Acquirers may allow the existing executive Directors to be appointed as Key Managerial Personnel for their technical advice. Upon consummation of the transaction contemplated in the SPA, the Acquirers will also acquire control over the Target Company and the Acquirers shall become the promoters of the Target Company upon compliance with the provision of regulation 31A(5) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

3.3.5 The registered office address may be change after the expiry of 21 working days from the date of DPS.

3.3.6 In terms of Regulation 25(2), the Acquirers will not dispose-off or otherwise encumber any assets or investments of the Target Company, through sale, lease, reconstruction, restructuring including but not limited to amalgamation and/or demerger with its group companies and/or re-negotiation or termination of existing contractual/operating arrangements, for restructuring and/or rationalizing the assets, investments or liabilities of the Target Company and/or its subsidiaries, to improve operational efficiencies and for other commercial reasons. The Board of Directors of the Target Company will take decisions on these matters in accordance with the requirements of the business of the Target Company.

4 BACKGROUND OF THE ACQUIRERS

4.1. Information about **Mr. Jitendra G. Raiyani (Acquirer No. 1)** and **Mr. Rameshkumar Jivrajbhai Ranipa (Acquirer No. 2)**

Mr. Jitendra G. Raiyani (Acquirer No. 1):

1. **Mr. Jitendra G. Raiyani** an Indian resident, s/o. Gopalbhai Raiyani, aged about 50 years R/o. Radhe Shyam, Plot No. 28, Silver Stone-1, Street no. 3, 150 feet Ring Road, Behind Oscar Towar, Rajkot, Gujarat-360005, Contact No.: +91 99798 73993, E-Mail ID: jitendraraiyani9681@gmail.com. He has experience of more than 13 years in the business of Chemicals for agriculture use. He is holding directorship in Raison Bio-Tech Private Limited (CIN: U27310GJ2006PTC048496) and Redren Energy Private Limited (CIN: U40106GJ2006PTC049654). To explore further business opportunities he has proposed to enter in the business of cotton yarn by acquiring stake in Angel Fibers Limited.
2. Mr. Jitendra G. Raiyani is holding PAN (Permanent Account No.) ABJPR3501K and his DIN (Director Identification No.) is 00284527. Mr. Jitendra G. Raiyani does not belong to any Group.
3. The Net worth of Mr. Jitendra G. Raiyani as on March 16, 2020 is ₹ 287.88 lakhs (Rupees Two Crore Eighty Seven Lakhs Eighty Eight Thousand Only) and same is certified by Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAQ7596 vide her certificate dated March 17, 2020 and further certifies that Mr. Jitendra G. Raiyani has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company.
4. Mr. Jitendra G. Raiyani does not hold equity shares of Target Company as on the date of this Draft Letter of Offer (“DLOF”) and has agreed to acquire 28,23,680 equity shares representing 11.29% of total equity Share Capital/Voting Capital of Target Company from Sellers through share purchase agreement (SPA) dated March 17, 2020.
5. Mr. Jitendra G. Raiyani has not acquired Equity Shares of Target Company since listing of Target Company i.e. March 6, 2018 on BSE (SME platform), therefore compliance pursuant to Chapter V of SEBI Takeover Regulations, 2011 is not applicable as on the date of this DLOF.
6. He does not have any other interest or relationship with Target Company or its promoters, Directors, Key Managerial Personnel, save and except the proposed shareholding to be acquired in Target Company pursuant to SPA dated March 17, 2020.
7. As on the date of this DLOF, The details of the Companies in which Mr. Jitendra G. Raiyani holds directorship is tabled as below:

Sr.	CIN	Designation	Name of Company	Date of Appointment
1.	U27310GJ2006PTC048496	Director	Raison Bio-Tech Private Limited	June 16, 2006

2.	U40106GJ2006PTC049654	Director	Redren Energy Private Limited	December 4, 2012
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Mr. Rameshkumar Jivrajbhai Ranipa (Acquirer No. 2)

1. **Mr. Rameshkumar Jivrajbhai Ranipa**, an Indian resident, s/o. Jivrajbhai Ranipa, aged about 48 years R/o. 301, Krishna Palace, Swastik Society, Opp Essar House, Patel Colony, Jamnagar, Gujarat-361008, Contact No.: +91 98252 12209; E-Mail ID: ramesh.ranipa@yahoo.co.in. He started his carrier as a clerk in Agriculture co-operative society and serve to society for the period of 5 years but looking to available opportunity in business and dealership of Mahindra Tractor, he has started his first venture under the name Murlidhar Tractors (Partnership Firm) in the year 2001. In the year 2010, to explore growing opportunity in Ceramic Sector he also commence the Ceramic business by incorporating a company namely Redstone Granito Private Limited. Later on in the year 2015, he has enters into spinning business by set up Spinning Unit under the name Sanvi Spinning Mill Private Limited. He holds directorship in Redstone Granito Private Limited (U26914GJ2010PTC063247) and Sanvi Spinning Mill Private Limited (U17291GJ2015PTC082662). To explore further business opportunity he has proposed to enter in the business of cotton yarn by acquiring stake in Angel Fibers Limited.
2. Mr. Rameshkumar Jivrajbhai Ranipa is holding PAN (Permanent Account No.) AAWPR3816M and his DIN (Director Identification No.) is 03339532. Mr. Rameshkumar Jivrajbhai Ranipa does not belong to any Group.
3. The Net worth of Mr. Rameshkumar Jivrajbhai Ranipa as on March 16, 2020 is ₹ 1310. 59 lakhs (Rupees Thirteen Crore Ten Lakhs Fifty Nine Thousand Only (Rounded Off) and same is certified by Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAP1208 vide her certificate dated March 17, 2020 and further certifies that Mr. Rameshkumar Jivrajbhai Ranipa has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company.
4. Mr. Rameshkumar Jivrajbhai Ranipa does not hold equity shares of Target Company as on the date of this Draft Letter of Offer (“DLOF”) and has agreed to acquire 1,12,95,000 equity shares representing 45.18% of total equity share Capital/Voting Capital of Target Company from Mr. Ashok M. Dudhagara through share purchase agreement (SPA) dated March 17, 2020.
5. Mr. Rameshkumar Jivrajbhai Ranipa has not acquired Equity Shares of Target Company since listing of Target Company i.e. March 6, 2018 on BSE (SME platform), therefore compliance pursuant to Chapter V of SEBI Takeover Regulations, 2011 is not applicable as on the date of this DLOF.
6. He does not have any other interest or relationship with Target Company or its promoters, Directors, Key Managerial Personnel, save and except the proposed shareholding to be acquired in Target Company pursuant to SPA dated March 17, 2020.
7. As on the date of this DLOF, the details of the Companies in which Mr. Rameshkumar Jivrajbhai Ranipa holds directorship is tabled as below:

Sr.	CIN	Designation	Name of Company	Date of Appointment
1.	U26914GJ2010PTC063247	Director	Redstone Granito Private Limited	December 14, 2010
2.	U17291GJ2015PTC082662	Director	Sanvi Spinning Mill Private Limited	March 23, 2015

- 4.2. The Acquirers will be the Promoters of the Company, after completing all the Open Offer formalities pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- 4.3. The Acquirers have not acquired any Equity Share of the Target Company during the twelve (12) months period prior to the PA.
- 4.4. As per terms of SPA dated March 17, 2020, total 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares which constitutes 56.47% agreed to be acquired by Acquirers from Sellers, out of which 53,04,840 Equity Shares constituting 21.22% of the issued, paid up and subscribed equity share capital of the AFL, which are pledged with Lender(s) are to be released subject to NOC/approval from lender(s)), and 51,25,0000 Equity Shares which are under lock in upto March 7, 2021 and will continue to locked-in in the hands of Acquirers (New Promoters) as per Regulation 243 of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018.

4.5. Joint Undertakings / Confirmation by the Acquirers:

1. The Acquirers shall duly complied w.r.t. Chapter V of the Takeover Regulations, 2011 as application in respect to purchase and sale of shares of Target Company to the extent applicable.
2. Acquires has not categorized as a “willful Defaulter” in terms of regulation 2(1)(ze) of SEBI (SAST) Regulations and not debarred from accessing capital market or dealing in securities in terms of the provisions of the section 11B of the SEBI Act, 1992 or under any other Regulations of SEBI Act, 1992
3. The Equity Shares tendered in this Offer will be acquired by Mr. Jitendra G. Raiyani and Mr. Rameshkumar Jivrajbhai Ranipa in ratio of 20% and 80% respectively.
4. As of the date of this DLOF, neither Acquirers nor their representatives are on the board of the Target Company.

5. The Acquirers have undertaken that if they acquire any equity shares of the Target Company during the Offer Period, they shall inform the Stock Exchanges where the equity shares of the Target Company are listed, the Target Company and the Manager to the Offer within 24 hours of the acquisition in compliance with regulation 18(6) of the SEBI (SAST) Regulations. Further, they have also undertaken that they will not acquire any equity shares of the Target Company during the period between three working days prior to the commencement of the Tendering Period and until the closure of the Tendering Period as per regulation 18(6) of the SEBI (SAST) Regulations.
6. Pursuant to Regulation 7(4) of SEBI (SAST) Regulations, 2011 acquirers hereby undertakes to bring down the non-public shareholding to the level specified and within the time permitted under Securities Contract (Regulation) Rules, 1957 and also company shall bring the public shareholding to twenty five per cent within a maximum period of twelve months from the date of such fall in the manner specified by the Securities and Exchange Board of India.
7. The Acquirers hereby undertakes that they will not sell the equity shares of the Target Company held by them during the Offer period in terms of regulation 25(4) of the SEBI (SAST) Regulations, 2011.

5 BACKGROUND OF THE TARGET COMPANY- ANGEL FIBERS LIMITED

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

- 5.1 The Target Company was originally incorporated in the name and style as “Angel Fibers Private Limited” at Rajkot on February 14, 2014 as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently company was converted to public limited Company pursuant to shareholders resolution passed at the Extra-ordinary General Meeting held on December 7, 2017 and the name of Company was changed to “Angel Fibers Limited”. A fresh certificate of incorporation consequent upon conversion to public limited Company was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on December 11, 2017. Company Identification Number of Target Company is L17200GJ2014PLC078738.
- 5.2 The Registered office of the Target Company is situated at Shivalik-2, Shop No.6, Nr. Pushkardham Temple, University Road, Rajkot 360005. The E-Mail ID of target company is info@angelfibers.com/ cs@angelfibers.com and its website: www.angelfibers.com. The ISIN of the Target Company is INE339Z01011.
- 5.3 As on the date of this DLOF, the authorized share capital of the Target Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores) comprising of 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of face value of ₹ 10. As on the date of this DLOF, the issued, subscribed and paid-up equity share capital of the Target Company is ₹ 25,00,00,000 (Rupees Twenty Five Crores) comprising of 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of face value of ₹ 10.
- 5.4 The detail of share capital structure of Target Company is as follow:

Paid up Equity Shares of TC	No. of Shares/voting rights	% of shares/voting rights
Fully paid up equity shares	2,50,00,000 Equity Shares of ₹ 10 each	100%
Partly paid up equity shares	Nil	Nil
Total paid up equity shares	2,50,00,000 Equity Shares of ₹ 10 each	100%
Total voting rights in TC	2,50,00,000 Equity Shares of ₹ 10 each	100%

- 5.5 The Target Company is engaged in the business of spinning of cotton yarn.
- 5.6 Equity Share of Target Company are listed on the SME Platform of BSE Limited (Security Code: 541006 Symbol: ANGEL) on March 6, 2018. The Equity Shares of Target Company are in-frequently traded within the meaning of the Regulation 2(1)(j) of SEBI (SAST) Regulation.
- 5.7 As on the date of this DLOF, the promoter/promoter group holds 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six hundred and Eight Only) Equity shares, constituting 56.47% of the issued, subscribed and paid up capital of the Target Company. Out of 1,41,18,680 Equity Shares of Promoters of Target Company, 53,04,480 Equity Shares are pledged and 51,25,000 Equity Shares are under locked in constituting 21.22% and 20.50% respectively of the issued, subscribed and paid up capital of the Target Company.
- 5.8 Equity Shares of Target Company are not suspended from trading as on the date of filing this Draft Letter of Offer. All the Equity shares of the Target Company are listed on SME Platform of BSE Limited.
- 5.9 There are no instruments convertible into Equity Shares at a future date, in the books of the Target Company as on the date of this DLOF. Further there are no partly paid-up shares.
- 5.10 As on the date of this DLOF, the Composition of Board of Directors of Target Company is as under:

Sr. No.	Name	Designation	Director	Date of appointment
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			Identification Number	
1.	Mr. Ashok Mavjibhai Dudhagara	Chairman & Managing Director	06604661	February 14, 2014
2.	Mrs. Prafulaben Ashokbhai Dudhagara	Executive Director	07965907	October 24, 2017
3.	Mr. Ankur Bakulesh Jani	Executive Director	08005274	November 29, 2017
4.	Mr. Nirav Bhupatbhai Baldha	Independent Director	07872780	December 14, 2017
5.	Mr. Ketanbhai Ramnikbhai Vadaliya	Independent Director	08041695	January 2, 2018

(Source: website of Ministry of Corporate Affairs i.e. www.mca.gov.in and Annual Report of Target Company filed with the BSE Limited on www.bseindia.com)

Currently no directors are appointed on the Board of Target Company representing the Acquirers.

- 5.11 No merger/ de-merger/ spin off have taken place in the Target Company during last three years.
- 5.12 The key financial information of the Target Company based on Unaudited Financial Statement for period ended September 30, 2019 and Audited Financial Statements for the Financial Year ended March 31, 2019, March 31, 2018 and March 31, 2017 are as follows:

(Amount ₹ in Lakhs)

Profit and Loss Statement	For the Half Year Ended on September 30, 2019 (Un-Audited & Limited Reviewed)	For the Year Ended on March 31, 2019 (Audited)	For the Year Ended on March 31, 2018 (Audited)	For the Year Ended on March 31, 2017 (Audited)
I. Revenue from operation	6765.35	13,267.62	8,203.34	7,951.41
II. Other Income	164.36	422.98	431.98	210.92
III. Total Revenue (I+II)	6,929.71	13,690.60	8,635.32	8,162.33
IV. Expenses				
Cost of material consumed	5,756.47	9,661.82	6,281.09	5,972.59
Purchase of Stock in Trade	52.74	1,353.38	249.18	0.00
Changes in Inventories of Finished goods, Work in Progress	-10.69	-442.98	-377.83	24.54
Employee benefit expenses	81.05	283.06	232.93	188.90
Finance cost	240.01	349.25	177.25	194.79
Depreciation and amortization expenses	679.47	1,168.77	840.46	1,017.08
Other expenses	785.71	1,181.74	772.04	614.87
Total Expenses	7,584.76	13,555.04	8,175.12	8,012.77
V. Profit before exceptional and extraordinary items and tax (iii – iv)	-655.05	135.56	460.20	149.56
VI. Exceptional items & Extra-Ordinary Items	0.00	0.00	0.00	0.00
IX. Profit before tax (VII – VIII)	-655.05	135.56	460.20	149.56
X. Tax Expenses				
(1) Current Tax	0.00	29.22	100.01	33.79
(2) Deferred Tax	-34.86	105.52	-74.89	55.82
(3) MAT Credit Entitlement	0.00	53.00	0.00	0.00
XI. Profit / Loss for the period	-620.19	53.82	435.08	59.95

Profit and Loss Statement	For the Half Year Ended on September 30, 2019 (Un-Audited & Limited Reviewed)	For the Year Ended on March 31, 2019 (Audited)	For the Year Ended on March 31, 2018 (Audited)	For the Year Ended on March 31, 2017 (Audited)
Earnings Per Share				
(1) Basic	-2.48	0.22	1.74	0.24
(2) Diluted	-2.48	0.22	1.74	0.24

(Amount ₹ in Lakhs)

Balance Sheet Statement	As At September 30, 2019 (Un-Audited & Limited Reviewed)	As At March 31, 2019 (Audited)	As At March 31, 2018 (Audited)	As At March 31, 2017 (Audited)
I. Equity and Liabilities				
1. Shareholder's Funds				
a) Share Capital	2500.00	2500.00	2500.00	2500.00
b) Reserves and Surplus	-176.34	443.85	390.02	-45.06
Total	2323.66	2943.85	2890.02	2454.94
2. Non-Current Liabilities				
a) Long Term Borrowings	7543.61	7497.21	3323.04	3622.81
b) Deferred tax liabilities (Net)	184.74	219.60	114.09	188.98
c) Other long term liabilities	0.00	0.00	0.00	0.00
d) Long – term Provisions	8.99	8.99	8.08	0.00
Total	7737.34	7725.80	3445.21	3811.79
3. Current Liabilities				
a) Short Term Borrowings	1213.66	1212.05	702.57	707.02
b) Trade Payables				
i) total outstanding dues of MSMEs	0.00	0.00	0.00	0.00
ii) total outstanding dues of creditors other than MSMEs	7356.84	2164.97	1037.45	976.06
c) Other Current Liabilities	1347.43	1316.19	1316.12	684.74
d) Short Term Provisions	28.98	28.80	99.57	63.95
Total	9946.91	4722.01	3155.71	2431.77
Grand Total	20007.91	15391.66	9490.94	8698.50
II. Assets				
1. Non-Current assets				
a) Fixed assets				
i) Tangible assets	8216.19	8895.31	4214.17	4986.96
ii) Intangible assets	0.95	1.09	1.45	0.00
iii) Capital work-in-progress	0.00	0.00	387.28	0.00
iv) Intangible assets under development	0.00	0.00	-	0.00
b) Non-current investment	0.00	0.00	-	0.00
c) Deferred Tax Assets (Net)	0.00	0.00	-	0.00
d) Long-term loans and advances	34.51	34.51	34.51	16.29

Balance Sheet Statement	As At September 30, 2019 (Un-Audited & Limited Reviewed)	As At March 31, 2019 (Audited)	As At March 31, 2018 (Audited)	As At March 31, 2017 (Audited)
e) other non-current assets	53.05	0.41	26.00	11.75
Total	8304.70	8931.32	4663.41	5015.00
2. Current Assets				
a) Current Investment	19.96	109.47	18.87	0.00
b) Inventories	4867.24	3770.69	2925.26	2207.75
c) Trade Receivables	5059.39	628.42	609.78	404.17
d) Cash and cash equivalents	17.57	14.12	71.49	108.92
e) Short – term loans and advances	467.82	477.31	434.75	357.01
f) Other current assets	1271.23	1460.33	767.38	605.65
Total	11703.21	6460.34	4827.53	3683.50
Grand Total	20007.91	15391.66	9490.94	8698.50

OTHER FINANCIAL DATA	As At September 30, 2019 (Un-Audited & Limited Reviewed)	As At year ended March 31, 2019 (Audited)	As At year ended March 31, 2018 (Audited)	As At year ended March 31, 2017 (Audited)
Dividend (%)	Nil	Nil	Nil	Nil
Earnings Per Share (₹)	-2.48	0.22	1.74	0.24
Net worth (₹ In Lakhs)	2323.66	2943.85	2890.02	2454.94
Profit/Loss	-620.19	53.82	435.08	59.95
Return on Net worth (%)	-26.69%	1.83%	15.05%	2.44%
Book Value Per Share (₹)	9.29	11.78	11.56	9.82

5.13 Financial Statement for the period ended September 30, 2019 are un-audited and for year ended March 31, 2019, March 31, 2018 and March 31, 2017 are Audited by statutory auditors Mr. Hardik H. Kalariya– Partner of M/s. H.B.Kalaria & Associates., (Firm Registration No. 104571W and Membership No. 155474), Practicing Chartered Accountants having office at A-601/602, The Imperial Heights, 150 ft. Ring Road, Opp. Big Bazar, Rajkot-360001, Mobile No. 98240 42115, Email Id: hbkalaria@gmail.com. Financial statement for the period ended September 30, 2019 are un-audited for which limited review report is issued by statutory auditors Mr. Hardik H. Kalariya– Partner of M/s. H.B. Kalaria & Associates.

5.14 The contingent liabilities for the year ended March 31, 2019 are as follows:

Name of Statue	Nature of Dues	Disputed Amount (in ₹)	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 10,43,66,600	AY 2015-16	Commissioner of Income Tax (Appeal)

5.15 Pre and Post-offer shareholding pattern of the Target Company as per the following table as on date of Draft Letter of offer:

Shareholders' Category	Shareholding prior to the Agreement/Acquisition and offer		Shares agreed to be acquired which triggered off the regulation		Shares to be acquired in open offer (assuming full acceptance)		Shareholding after the acquisition and offer (assuming full acceptance)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								

(a) Parties to agreement								
Mr. Ashok Mavjibhai Dudhagara*	11462320	45.85	-11462320	-45.85	0	0.00	0	0.00
Mrs. Prafulaben Ashokbhai Dudhagara*	2656360	10.63	-2656360	-10.63	0	0.00	0	0.00
(b) Promoters other than (a) above	0	0.00	0	0.00	0	0.00	0	0.00
Total 1 (a+ b)	14118680	56.47	-14118680	-56.47	0	0.00	0	0.00
(2) Acquirers and PACs								
(a) Acquirers @								
Mr. Jitendra G. Raiyani	0	0.00	2823680	11.29	1300000	5.20	4123680	16.49
Mr. Rameshkumar Jivrajbhai Ranipa	0	0.00	11295000	45.18	5200000	20.80	16495000	65.98
Total of (a)	0	0.00	14118680	56.47	6500000	26.00	20618680	82.47
(B) PACs	0	0.00	0	0.00	0	0.00	0	0.00
Total of (b)	0	0.00	0	0.00	0	0.00	0	0.00
Total 2 (a+b)	0	0.00	14118680	56.47	6500000	26.00	20618680	82.47
(3)Parties to agreement other than 1(a) and 2								
(4) Public (other than parties to agreement, Acquirers & PACs)								
(a)FIs/MFs/FIIs/Banks, SFIs	0	0.00	0.	0.00	0.	0.00	0.	0.00
(b) Other	10881320	43.53	0	0.00	-6500000	-26.00	4381320	17.52
Total (4) (a+b)	10881320	43.53	0	0.00	-6500000	-26.00	4381320	17.52
Grand Total (1+2+3+4)	25000000	100.00	0	0.00	0	0.00	25000000	100.00

Note: As on the March 27, 2020 there are 353 public shareholders in the Target Company

* Post offer existing Promoters will not be holding Equity Shares of the Target Company and will be classified as Public category under Regulation 31A of SEBI (LODR) Regulations, 2015.

@ Acquirers have not acquired Equity Shares of Target Company after the date of Public Announcement till the date of this Draft Letter of Offer. Subsequent to the open offer they Acquirers will be considered as Promoters of the Target Company.

5.16 The Company is not a sick Company.

5.17 Details of the Compliance Officer:

Name: Ms. Reena Kanabar

Address: Shivalik-2, Shop No.6, Nr. Pushkardham Temple, University Road, Rajkot 360005;

Contact No.:+91 9426785557; **Email:** cs@angelfibers.com

5.18 Status of corporate governance compliances by Target Company: -

Being Target Company listed on SME platform of BSE. The Corporate Governance clauses as enumerated in Regulation 17 to 27 in SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 are not applicable to Target Company.

5.19 There have been instances of non compliances with the provision of chapter V of the regulations by Mr. Ashok Mavjibhai Dudhagar and Mrs. Prafulaben Ashokbhai Dudhagara who are Promoters of the Target Company, for which SEBI may take suitable action against promoters of Target Company, details are follows:

Name of Seller/Promoter of Target Company	Regulation/Sub-Regulations of SEBI (SAST) Regulations, 2011	Due-Date of Compliance as mentioned in the SEBI (SAST) Regulations, 2011	Actual Date of Compliance	Delay in No. of Days
Mr. Ashok Mavjibhai Dudhagar	Continual Disclosures under Regulation 30(2) for the year ended March 31, 2018	April 10, 2018	March 23, 2020	713
	Continual Disclosures under Regulation 30(2) for the year ended March 31, 2019	April 9, 2019	March 23, 2020	349

	Disclosures of Encumbered Shares under Regulation 31(1)	June 21, 2018	March 23, 2020	641
Mrs. Prafulaben Ashokbhai Dudhagara	Continual Disclosures under Regulation 30(2) for the year ended March 31, 2018	April 10, 2018	March 23, 2020	713
	Continual Disclosures under Regulation 30(2) for the year ended March 31, 2019	April 9, 2019	March 23, 2020	349
	Disclosures of Encumbered Shares under Regulation 31(1)	June 21, 2018	March 23, 2020	641

5.20 Target Company has received application in form no. 5 dated January 3, 2020 from Operational Creditor namely Shree Ganesh Cotton Industries, one of the suppliers of the company, to initiate corporate insolvency resolution process under the code/rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only). Further Target Company has filed counter affidavit/Petition dated March 6, 2020 in response to above application, being the matter related to dispute of quality and allowances matter for raw material supplied by the operational creditor.

Shree Ganesh Cotton Industries (“**Operational Creditor**”) had filed Rebuttal Affidavit/Petition dated March 17, 2020 before the National Company Law Tribunal (“NCLT”) - Ahmedabad Bench against the response to counter affidavit (dated March 6, 2020) filed by the Target Company, for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only) from Target Company. The copy of Rebuttal Affidavit/Petition filed by Operation creditor dated March 17, 2020 was received by the Target Company on March 20, 2020.

If a Corporate Debtor (Target Company) is accepted into the CIRP (Corporate Insolvency Resolution Process) by National Company Law Tribunal (“NCLT”) – Ahmedabad Bench, NCLT- Ahmedabad Bench will i) Declare Moratorium, ii) Cause a Public Announcement of the initiation of corporate insolvency resolution process and call for the submission of claims by operational creditors iii) Appoint an Interim resolution Professional. Subsequently, the management is placed under an independent “Interim Resolution Professional” till the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the activities of the company.

Present status of aforesaid litigation matter filed with NCLT as on the date of filing of this DLOF:

NCLT-Ahmedabad Bench had adjourned aforesaid matter for hearing to April 1, 2020 for all the matters listed for hearing on March 9, 2020. The notice of NCLT dated March 30, 2020 issued in appended to various notices dated March 22, 2020 and March 28, 2020 stating that all the matters which were to be listed from March 23, 2020 to April 14, 2020 shall be suitably listed from April 15, 2020 onwards before respective NCLT benches.

(Source: Information provided by the Sellers/Target Company).

6 OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. JUSTIFICATION OF OFFER PRICE

- 6.1.1. This offer is made pursuant to direct acquisition of Control in terms of Regulation 3(1) and 4 of SEBI (Substantial Acquisition Of Shares And Takeovers) Regulation, 2011
- 6.1.2. The Equity shares of Target Company are presently listed on the SME Platform of BSE Limited (Security Code: 541006 Symbol: ANGEL) on March 6, 2018 and are infrequently traded in terms of regulation 2(1)(j) of SEBI (Substantial Acquisition Of Shares And Takeovers) Regulation, 2011.
- 6.1.3. The annualized trading turnover of the Equity Shares of the Target Company during Twelve (12) calendar months preceding the month of PA (i.e. from March 2019 to February, 2020) on the Stock Exchange (BSE) on which the Equity Shares of the Target Company are traded are detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA (A)	Total No. of Equity Shares listed (B)	Annualized trading turnover (as % of total number of listed shares- (A/B))
BSE LIMITED	15,44,000*	2,50,00,000	6.18%

(*Source: www.bseindia.com)

6.1.4. The Offer Price of ₹ 9.00 (Rupees Nine only per Equity Share) is justified in terms of Regulation 8(2) of the SEBI (SAST) Regulations being highest of the following parameters:

Sr. No.	Particulars	Amount in ₹
(a)	The highest negotiated price per share of the target company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer.	9.00
(b)	the volume-weighted average price paid or payable for acquisitions, whether by the Acquirers or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the public announcement	Nil
(c)	the highest price paid or payable for any acquisition, whether by the Acquirers or by any person acting in concert with him, during the twenty-six weeks immediately preceding the date of the public announcement	Nil
(d)	the volume-weighted average market price of such shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded	Not Applicable as Equity Shares are Infrequently Traded
(e)	where the shares are not frequently traded, the price determined by the Acquirers and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies;	8.00
	Other Parameters	For the period ended September 30, 2020
	Return on Networth (%)	Negative
	Earnings Per Share (₹ per Share)	Negative
	Book Value Per Share (₹)	9.29

The fair value of Shares of the Target Company is ₹ 8.00 (Rupees Eight Only) per Equity Share as certified by Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAA05891 having office at 314, 3rd Floor, Neo Square, Opp. I.T. Office, P.N. Marg, Jamnagar-361 008 vide valuation certificate dated March 17, 2020. The said valuation is done considering the Supreme Court decision in the case of Hindustan Lever Employee Union V/s Hindustan Lever Limited (1995) (83 Companies Case 30).

Based on the above information, the Manger to the offer and Acquirers confirms that the offer price of ₹ 9.00 (Rupees Nine Only) per fully paid up Equity Share is justified in terms of Regulation 8(2) of SEBI (SAST) Regulations.

6.1.5. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 (three) Working Days prior to the commencement of tendering period of the Offer.

6.1.6. In the event of further acquisition of Equity Shares of the Target Company by the Acquirers during the Offer Period, at a price higher than the Offer Price, the Offer Price will stand revised to or more than the highest price paid for such acquisition in terms of regulation 8(8) of the Regulations. However, the Acquirers will not be acquiring any Equity Shares of the Target Company after the third working day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.

6.1.7. If the Acquirers acquire Equity Shares of the Target Company during the period of twenty-six (26) weeks after the Tendering Period at a price higher than the Offer Price, they will pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty (60) 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 Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the Stock Exchanges, not being negotiated acquisition of Equity Shares whether by way of bulk deals, block deals or in any other form.

6.1.8. As on date there is no revision in Offer Price or Offer Size. The Offer Price is subject to upward revision, if any, it will be done only upto one working day prior to the date of commencement of the Tendering Period in accordance with

Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall make corresponding increases to the escrow amounts in accordance with regulation 18(5) of the SEBI (SAST) Regulations and the Acquirers shall (i) make a public announcement in the same newspapers in which the DPS is published; and (ii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision.

6.2. FINANCIAL ARRANGEMENTS

- 6.2.1. Assuming full acceptance of this Offer, the maximum consideration payable by the Acquirers under the offer would be ₹ 5,85,00,000 (Rupees Five Crores Eighty Five Lakhs Only) (“Maximum Consideration”) i.e. consideration payable for acquisition of 65,00,000 equity shares of the target Company at offer price of ₹ 9.00 per Equity Share.
- 6.2.2. The Acquirers have adequate internal resources to meet the financial requirements of the Open Offer. No borrowings from any Bank/ Financial Institution by Acquirers for the purpose of this open offer. The Acquirers have made firm arrangement for financial resources required to complete the Open Offer in accordance with Regulation 25(1) of the SEBI (SAST) Regulations.
- 6.2.3. In accordance with Regulation 17(1) of the SEBI (SAST) Regulations, 2011 the Acquirers have opened an escrow account with Indusind Bank Ltd. (“Escrow Bank”/“Escrow Agent”), acting through its Fort Branch office at Mumbai 400 001, entered into Escrow Agreement dated March 17, 2020 (“Escrow Agreement”). Pursuant to the Escrow Agreement, the Acquirers have opened an escrow account under the name and style “AFL OPEN OFFER CASH ESCROW ACCOUNT” (Escrow Account”) and In accordance with Regulation 17(1) of the SEBI (SAST) Regulations acquirers have deposited an amount of ₹ 6,50,00,000/- (Rupees Six Crore Fifty Lakhs Only) in cash towards performance of his obligations under this open offer which represents 111.11% of the Maximum Consideration. The cash deposit in the Escrow Account has been confirmed by the Escrow Agent on March 19, 2020.
- 6.2.4. The Acquirers have duly empowered and authorized Beeline Broking Limited, the Manager to the Offer, to operate and to realize the value of the Escrow Account in terms of the SEBI (SAST) Regulations.
- 6.2.5. Further, in order to ensure that the funds that are payable to the Eligible Public Shareholders who tender in the Offer are managed more efficiently, the Acquirers have opened the Offer Special Account with the Indusind Bank Limited under the offer Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations. The Manager to the Offer has been authorized by the Acquirers to operate and realize the monies lying to the credit of the Offer Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 6.2.6. The Net worth of Mr. Jitendra G. Raiyani as on March 16, 2020 is ₹ 287.88 lakhs (Rupees Two Crore Eighty Seven Lakhs Eighty Eight Thousand Only and same is certified by Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAQ7596 vide her certificate dated March 17, 2020 and further certifies that Mr. Jitendra G. Raiyani has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company.
- 6.2.7. The Net worth of Mr. Rameshkumar Jivrajbhai Ranipa as on March 16, 2020 is ₹ 1310.59 lakhs (Rupees Thirteen Crore Ten Lakhs Fifty Nine Thousand Only (Rounded Off) and same is certified by Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAP1208 vide her certificate dated March 17, 2020 and further certifies that Mr. Rameshkumar Jivrajbhai Ranipa has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company
- 6.2.8. Based on above, We Beeline Broking Limited manager to this open offer, are satisfied that Acquirers will be able to implement this Offer. Further we hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Open offer obligations.
- 6.2.9. In case of any upward revision in the Offer Price or the size of this Offer, the Cash Escrow amount shall be increased by the Acquirers prior to effecting such revision, in terms of the SEBI (SAST) Regulations.

7 TERMS AND CONDITIONS OF THE OFFER

7.1. Operational terms and conditions

- 7.1.1. The Offer is subject to the terms and conditions set out in this Draft Letter of Offer, the Form of Acceptance, the PA, the DPS and any other Public Announcements that may be issued with respect to the Offer.
- 7.1.2. The Offer is not subject to any minimum level of acceptances from shareholders.

- 7.1.3. 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, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents required by it to sell the Equity Shares on the foregoing basis.
- 7.1.4. As on the date of this DLOF the marketable lot for the Equity Shares for the purpose of this Open Offer shall be 4000 (Four Thousand).
- 7.1.5. Accidental omission to dispatch Letter of Offer to any Equity Shareholder to whom this Offer has been made or non-receipt of Letter of Offer by any such Equity Shareholder shall not invalidate this Offer in any way.
- 7.1.6. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.
- 7.1.7. This Open Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 7.1.8. This Open Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.9. The Identified Date for this Offer as per the schedule of activities is April 30, 2020 (Thursday).
- 7.1.10. All the Equity Shares validly tendered under this Offer to the extent of the Offer Size will be acquired by the Acquirer in accordance with the terms and conditions set forth in this Draft Letter of Offer

7.2. Locked in Equity Shares

Pursuant to SPA dated March 17, 2020, total 1,41,18,680 (One Crore Forty One Lakhs Eighteen Thousand Six Hundred and Eighty only) equity shares which constitutes 56.47% agreed to be acquired by Acquirers from Sellers, out of which 51,25,000 Equity Shares constituting 20.50% of the issued, paid up and subscribed equity share capital of the Target Company are Lock-In upto March 7, 2021 and will continue to be locked-in in the hands of Acquirers (New Promoters) as per Regulation 243 of SEBI (Issue of Capital and Disclosure Requirements) Regulations 2018. Therefore 51,25,000 Equity Shares constituting 20.50% of the issued, paid up and subscribed equity share capital of the Target Company proposed to be transfer to the Acquirers subject to the continuation of the residual lock-in period in the hands of the Acquirers, as may be permitted under applicable law.

Except as stated above there are no equity shares are under lock-in in the Target Company.

7.3. Eligibility for accepting the offer

- 7.3.1. DLoF will be dispatched to all the shareholders of AFL, whose names appear in its Register of Members on Identified Date.
- 7.3.2. All Public Shareholders, who hold Equity Shares in Physical or dematerialized form at any time before the expiry of the Tendering Period, are eligible to tender such Equity Shares in this Offer. The Public Shareholders who are holding equity shares in physical form and are desirous of tendering their equity shares in the Offer can do so only after the equity shares are dematerialized. Such Public Shareholders are advised to approach any depository participant to have their equity shares dematerialized.
- 7.3.3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer and the Form of Acceptance will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance from SEBI's website.
- 7.3.4. The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.5. None of the Acquirers, the Manager or the Registrar to the Offer accepts any responsibility for any loss of documents during transit (including but not limited to Offer acceptance forms, copies of delivery instruction slips, etc.), and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.3.6. The acceptance of Equity Shares tendered in this Offer will be made by the Acquirers in consultation with the Manager to the Offer. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, then the Offer Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer.

7.3.7. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirers at any time prior to 1 (One) Working Day before the commencement of the Tendering Period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirers shall (i) make corresponding increases to the escrow amounts ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office of such revision. The Acquirers will pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the DPS and the Draft Letter of Offer.

7.3.8. The instructions, authorizations and provisions contained in the Form of Acceptance-cum Acknowledgement constitute part of the terms of the Offer.

7.4. **Statutory and other approvals**

7.4.1. To the best of the knowledge of the Acquirers, there are no statutory or other approval(s) required by the Acquirers to complete the acquisition under the SPA and the Offer as on the date of this Draft Letter of Offer. If, however, any statutory or other approval(s) becomes applicable prior to completion of such acquisition, the Offer would also be subject to such other statutory or other approval(s) being obtained.

7.4.2. In case of delay in receipt of any statutory approval that may be required by the Acquirers, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any wilful default, failure or neglect on the part of the Acquirers to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with Regulation 18(11) of the SEBI (SAST) Regulations, 2011, grant an extension of time to the Acquirers to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer. Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirers shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.

7.4.3. Non-resident equity shareholders who wish to tender their equity shares in the Target Company in this Offer will be required to submit all the applicable Reserve Bank of India (hereinafter referred to as "RBI") approvals that they would have obtained for acquiring the equity shares of the Target Company along with the other documents required to be tendered to accept this Open Offer. In the event such RBI approvals are not submitted, the Acquirers reserve the sole right to reject the equity shares tendered in the Offer."

7.4.4. Target Company has received application in form no. 5 dated January 3, 2020 from Operational Creditor namely Shree Ganesh Cotton Industries, one of the suppliers of the company, to initiate corporate insolvency resolution process under the code/rule 6 of the Insolvency and Bankruptcy (Application to Adjudicating Authority), Rules 2016 for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only). Further Target Company has filed counter affidavit/Petition dated March 6, 2020 in response to above application, being the matter related to dispute of quality and allowances matter for raw material supplied by the operational creditor.

Shree Ganesh Cotton Industries ("**Operational Creditor**") had filed Rebuttal Affidavit/Petition dated March 17, 2020 before the National Company Law Tribunal ("NCLT") - Ahmedabad Bench against the response to counter affidavit (dated March 6, 2020) filed by the Target Company, for recovery of dues of ₹ 4,94,23,348.90 (Rupees Four Crores Ninety Four Lakhs Twenty Three Thousand Three Hundred Forty Eight and Ninety paise only) from Target Company. The copy of Rebuttal Affidavit/Petition filed by Operation creditor dated March 17, 2020 was received by the Target Company on March 20, 2020.

If a Corporate Debtor (Target Company) is accepted into the CIRP (Corporate Insolvency Resolution Process) by National Company Law Tribunal ("NCLT") – Ahmedabad Bench, NCLT- Ahmedabad Bench will i) Declare Moratorium, ii) Cause a Public Announcement of the initiation of corporate insolvency resolution process and call for the submission of claims by operational creditors iii) Appoint an Interim resolution Professional. Subsequently, the management is placed under an independent "Interim Resolution Professional" till the end of the CIRP (Corporate Insolvency Resolution Process), the management ceases to have any control over the activities of the company.

(Source: Information provided by the Sellers/Target Company).

On triggering of aforesaid event of CIRP (Corporate Insolvency Resolution Process) by NCLT Ahmedabad Bench, the situation will be outside the reasonable control of Acquirers and consequently Acquirers will withdraw this open offer under Regulation 23 of SEBI (SAST) Regulations and will rescind the SPA dated March 17, 2020 and sellers will immediately refund the amount received from the Acquirers towards sale shares. Consequently, all the

clauses and conditions stipulated in the SPA shall automatically rescind. In the event of such a withdrawal of the Offer, the Acquirers (through the Manager to the Offer) shall, within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations, 2011 in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

7.4.5. In terms of Regulation 23(1) of the SEBI (SAST) Regulations, 2011, in the event that the approvals which may become applicable prior to completion of the Offer are not received, the Acquirers shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirers (through the Manager to the Offer) 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, 2011 in the same newspapers in which the DPS has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1. PROCEDURE FOR TENDERING EQUITY SHARES HELD IN DEMATERIALIZED FORM

8.1.1. The Open Offer will be implemented by the Acquirers through stock exchange mechanism made available by the stock exchange in the form of separate window (“**Acquisition Window**”) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 as amended *vide* SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 (“**Acquisition Window Circulars**”).

8.1.2. BSE shall be the designated stock exchange for the purpose of tendering Equity Shares in the Open Offer.

8.1.3. The facility for acquisition of Equity Shares through stock exchange mechanism pursuant to the Open Offer shall be available on BSE in the form of a separate Acquisition Window. The Selling Broker(s) can enter orders for demat Equity Shares.

8.1.4. The Letter of Offer with the Form of Acceptance-cum-Acknowledgement will be sent to the Public Shareholders whose names appear on the register of members of the Target Company and to the beneficial owners of the Equity Shares whose names appear in the beneficial records of the respective depositories, as of the close of business on the Identified Date.

8.1.5. The Acquirers has appointed Swastika Investmart Limited (“**Buying Broker**”) for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the Tendering Period. The contact details of the Buying Broker are as mentioned below:

Swastika Investmart Limited

(CIN: L65910MH1992PLC067052)

Address: Flat no. 18, 2nd Floor, North Wing, Madhaveshwar Co-Op-Hsg Society Ltd, Madhav Nagar, 11/12, S.V. Road, Andheri West, Mumbai - 400058;

Tel: 0731-6644223; **Fax:** 0731-6644300;

Email: lokesh.s@swastika.co.in/mohit.goyal@swastika.co.in; **Investor grievances:** dp@swastika.co.in, **website:**

www.swastika.co.in;

(SEBI Registration no.INZ000192732)

Contact Person: Mr. Lokesh Soni

8.1.6. All the Public Shareholders who desire to tender their Equity Shares under the Offer should consult with their depository participants and their respective stock brokers (“**Selling Broker**”) well in advance to understand the process and methodology in relation to tendering of the Equity Shares through the Stock Exchanges during the Tendering Period.

8.1.7. In case of non-receipt of the Draft Letter of Offer, an unregistered shareholder may download the same from the SEBI website or obtain a copy of the same from the Manager to the Offer or Registrar to the Offer.

8.1.8. The Equity Shares should not be submitted / tendered to the Manager to the Offer, the Acquirers or the Target Company.

8.1.9. During the Tendering Period, the bid for selling the Equity Shares will be placed in the Acquisition Window by Public Shareholders through their respective Selling Broker during normal trading hours of the secondary market. The Buying Broker may also act as Selling Broker for Public Shareholders.

8.1.10. Equity Shareholders shall submit Delivery Instruction Slips (**DIS**) duly filled in specifying market type as “Open Offer” and execution date along with all other details to their respective depository participant / Selling Broker so that Equity Shares can be tendered in this Offer.

- 8.1.11. Before placing the bid, the Public Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay-in mechanism (except for custodian participant orders), prior to placing the order/bid by the Selling Broker using the settlement number provided in the Offer opening circular before their respective Selling Broker places the bids / orders on their behalf and the same shall be validated at the time of order entry.
- 8.1.12. For custodian participant, orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than the time provided by BSE on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.1.13. Upon placing the bid, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Public Shareholder. TRS will contain details of order/ bid submitted, like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- 8.1.14. On receipt of TRS, the Public Shareholder has successfully placed the bid in the Open Offer.
- 8.1.15. For demat Equity Shares, submission of Form of Acceptance and TRS is not mandatory. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Equity Shares bid shall be deemed to have been accepted for Public Shareholders holding Equity Shares in demat form. The Equity Shareholders are advised to retain the copy of DIS and the TRS till the completion of Offer Period.
- 8.1.16. The Equity Shareholders will have to ensure that they keep their 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 Offer.
- 8.1.17. 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 BSE/ Clearing Corporation, before the Offer Opening Date.
- 8.1.18. Public Shareholders shall tender their Equity Shares only through a broker with whom such shareholder is registered as client (KYC compliant).
- 8.1.19. In the event Selling Broker(s) are not registered with BSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any BSE registered stock broker and can make a bid by using quick unique client code (“UCC”) facility through that BSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case a Public Shareholder is not able to bid using quick UCC facility through any other BSE registered stock broker then the Public Shareholder may approach the Buying Broker to bid by using the UCC facility. The Public Shareholder approaching a BSE registered stock broker (with whom he does not have an account) or Beeline Broking Limited may have to submit following details:

(A) In case of Public Shareholder being an individual:

- i) If Public Shareholder is registered with KYC Registration Agency (“KRA”): Forms required:**
- Central Know Your Client (“CKYC”) form including Foreign Account Tax Compliance Act (“FATCA”), In Person Verification (“IPV”), Original Seen and Verified (“OSV”) if applicable
 - Know Your Client (“KYC”) form documents required (all documents self- attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)
- ii) If Public Shareholder is not registered with KRA: Forms required:**
- CKYC form including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - Permanent Account Number (“PAN”) card copy
 - Address proof
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

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

(B) In case of Public Shareholder, being a Hindu Undivided Family (“HUF”):

- i) If Public Shareholder is registered with KRA: Forms required:**
- CKYC form of karta including FATCA, IPV, OSV if applicable
 - KYC form documents required (all documents self-attested):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master /latest demat statement)

- ii) If Public Shareholder is not registered with KRA: Forms required:
 - CKYC form of karta including FATCA, IPV, OSV if applicable
 - KRA form
 - KYC form documents required (all documents self-attested):
 - PAN card copy of HUF & karta
 - Address proof of HUF & karta
 - HUF declaration
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master/ latest demat statement)

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

(C) In case of Public Shareholder other than individual and HUF:

- i) If Public Shareholder is KRA registered: Form required
 - KYC form documents required (all documents certified true copy):
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master/ latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/ authorised signatories/ partners/ trustees
 - Latest shareholding pattern
 - Board resolution
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
- ii) If Public Shareholder is not KRA registered: Forms required:
 - KRA form
 - KYC form documents required (all documents certified true copy):
 - PAN card copy of company/ firm/trust
 - Address proof of company/ firm/trust
 - Bank details (cancelled cheque)
 - Demat details for Equity Shares in demat mode (demat master/ latest demat statement)
 - FATCA, IPV, OSV if applicable
 - Latest list of directors/ authorised signatories/ partners/ trustees
 - PAN card copies & address proof of directors/ authorised signatories/ partners/ trustees
 - Latest shareholding pattern
 - Board resolution/partnership declaration
 - Details of ultimate beneficial owner along with PAN card and address proof
 - Last 2 years financial statements
 - Memorandum of association/partnership deed /trust deed

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

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

1. The cumulative quantity tendered shall be displayed on the BSE's website (www.bseindia.com) throughout the trading session at specific intervals by the BSE during the Tendering Period.
2. 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.

8.2. PROCEDURE FOR TENDERING THE SHARES IN CASE OF NON-RECEIPT OF LOF:

- (A) Persons who do not hold Equity Shares as on the Identified Date, or those who have acquired the Equity Shares after the Identified Date, or those who have not received the LOF, can also participate in this Open Offer.
- (B) 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.
- (C) The LOF will be dispatched to all the Public Shareholders whose names appear on the register of members of the Target Company as on the Identified Date through electronic mode in accordance with the provisions of Companies Act, 2013 and in compliance with Explanation to Regulation 18(2) of the SEBI (SAST) Regulations. On receipt of a request from

any Public Shareholder to receive a copy of the LOF in physical format, the same shall be provided to the Public Shareholder. In case of non-receipt of the LOF, such Public Shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) and can apply by using the same or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.3. ACCEPTANCE OF SHARES:

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

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

8.4. SETTLEMENT PROCESS / PAYMENT OF CONSIDERATION

- 8.5.1. On the Offer Closing Date, reconciliation for acceptances shall be conducted by the Registrar to the Offer in consultation with the Manager to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.
- 8.5.2. The settlement of trades shall be carried out through the Clearing Corporation in the manner specified in the Acquisition Window Circulars.
- 8.5.3. The Acquirers will pay the consideration to the Buying Broker on or before the pay-in date for settlement, who in turn will make the funds pay-in in the settlement account of Clearing Corporation, as per the settlement schedule announced by Clearing Corporation.
- 8.5.4. For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds pay-out to respective eligible Public Shareholder's bank account linked to its demat account. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/ bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.
- 8.5.5. 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 Public Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Offer.
- 8.5.6. The Public Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of the shares under the Open Offer.
- 8.5.7. Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be returned to them by the Clearing Corporation.
- 8.5.8. Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any costs, 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 and the Acquirers accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders.
- 8.5.9. Any Equity Shares that are subject matter of litigation or are held in abeyance due to pending court cases / attachment orders / restriction from other statutory authorities wherein the Equity Shareholder may be precluded from transferring the Equity Shares during pendency of the said litigation are liable to be rejected if directions / orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer.
- 8.5.10. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to the Acquirers for payment of consideration to the Equity Shareholders of the Target Company who have accepted the Offer within the Tendering Period, subject to the Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the Takeover Regulations.
- 8.5.11. The direct credit of Equity Shares shall be given to the demat account of the Acquirers indicated by the Buying Broker.
- 8.5.12. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirers.

NOTE ON TAXATION

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 April 1 until March 31. A person who is an Indian tax resident is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income-tax Act. 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 is deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated".
2. Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the Income-tax Act.
3. 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 relevant conditions including: (i) those set out in limitation of benefits provisions present in the said DTAA (if any), (ii) the non-applicability of General Anti-Avoidance Rules, and (iii) providing and maintaining necessary information and documents as prescribed under the Income-tax Act.
4. The Income-tax Act also provides for different income-tax regimes / rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
5. The summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.
6. As per the current provisions of the Income-tax Act, in addition to the basic tax rate, surcharge and health and education cess are also leviable. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge.
7. **Classification of shareholders: Public Shareholders can be classified under the following categories:**
 - (A) **Resident shareholders being:**
 - Individuals, Hindu Undivided Family ("HUF"), Association of Persons and Body of Individuals
 - Others
 - (B) **Non-resident shareholders being:**
 - Non-resident Individuals ("NRI" or "NRIs")
 - Foreign Institutional Investors ("FII" or "FIIs" / Foreign Portfolio Investors ("FPI" or "FPIs"))
 - (C) **Others:**
 - A foreign company
 - Other than a foreign company
8. **Classification of income from Equity Shares can be made under the following two categories:**
 - (A) Shares held as investment (Income from transfer is taxable under the heading "Capital Gains"); and
 - (B) Shares held as stock-in-trade (Income from transfer is taxable under the heading "Profits and Gains from Business or Profession")
9. As per the current provisions of the Income-tax Act, unless specifically exempted, income arising from the sale of equity shares in an Indian company are generally taxable in India either as "capital gains" under Section 45 or as "business profits/ income", under section 28 of the Income-tax Act depending on the facts and circumstances of the case.

The Central Board of Direct Taxes ("CBDT") has *vide* Circular No. 6 / 2016 dated February 29, 2016, clarified that income arising from transfer of listed shares and securities, which have been held for more than 12 months, would be taxable as "capital gains" unless the tax payer itself treats these securities as its stock-in trade and income thereof as its "business income".

10. **Shares held as investment:**

- (A) As per the provisions of the Income tax Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains in the hands of shareholders would be computed as per provisions of Section 48 of the Income-tax Act and the rate of income tax would depend on the period of holding.
- (B) **Period of holding:** Depending on the period for which the shares are held, the gains would be taxable as “short term capital gain” or “long-term capital gain”. In respect of listed equity shares held for a period less than or equal to 12 (Twelve) months prior to the date of transfer, the same will be treated as a “short-term capital asset”, and accordingly the gains arising therefrom will be taxable as short-term capital gains (“STCG”). Similarly, where listed equity shares are held for a period more than 12 (Twelve) months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as long-term capital gains (“LTCG”).
- (C) Where a transaction for transfer of such equity shares (i.e. acceptance under the Open Offer) is transacted through a recognized stock exchange and is chargeable to Securities Transaction Tax (“STT”), then as per the provisions of Section 112A of the Income Tax Act, income tax @10% will be levied on LTCG on the sale or transfer of equity shares that are listed on a recognized stock exchange, which have been held for more than 12 (Twelve) months and have been subject to STT, upon acquisition and sale. If no STT is paid on acquisition, then mode of such acquisition should be exempted under the notification issued by the Central Government (Notification No. 60 /2018 dated October 1, 2018) under Section 112A of the Income-tax Act in order to get benefit of taxation at 10% under Section 112A of the Income-tax Act. This rate of 10% (ten per cent) (exclusive of any surcharge and cess that would be applied) would be payable only if the LTCG exceeds Rs. 100,000/- in the financial year. In case of a resident individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such LTCG. Further, LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018. For computing capital gains under the grandfathering regime, the cost of acquisition of the asset will be the higher of: (i) actual purchase price, or (ii) lower of (A) fair market value as on January 31, 2018, and (B) sale consideration for the shares.
- (D) Where provisions of section 112A of the Income-tax Act are not applicable (for example where STT was not paid at the time of acquisition of the equity shares):
- LTCG will be chargeable to tax at rate of up to 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder (other than an FPI/ FII, or an NRI who is governed by the provisions of Chapter XII-A of the Income-tax Act).
 - In the case of FIIs/ FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess).
 - For an NRI who is governed by the provisions of Chapter XII-A of the Income-tax Act, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115E of the Income-tax Act.
 - For a resident shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and cess) without indexation.
- (E) Further, any gain realized on the sale of listed equity shares held for a period of 12 (Twelve) months or less and which is subject to STT, shall be subject to short term capital gains tax at 15% (plus applicable surcharge and cess) and STT. Further, in case of a resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the tax on such STCG.
- (F) Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income-tax Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to satisfaction of certain prescribed conditions.

11. Shares held as stock-in trade:

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

12. Tax Deduction at Source:

(A) Resident shareholders:

In the absence of any specific provision under the Income-tax Act, the Acquirers is not required to deduct tax on the consideration payable to the Public Shareholders pursuant to tendering of the Equity Shares under the Open Offer.

(B) Non-Resident Shareholders:

➤ **In case of FPIs:** Section 196D of the Income-tax Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs.

- ***In case of non-resident Public Shareholders (other than FPIs) holding Equity Shares of the Target Company:***
Section 195(1) of the Income-tax Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the Income-tax Act. In doing this, the Acquirers will be guided by generally followed practices and make use of data available in the records of the Registrar to the Offer except in cases where the non-resident Public Shareholders provide a specific mandate in this regard.
- Under Section 195 of the Income-tax Act, tax is required to be deducted on payment made to non-residents, at the rates prescribed in Part-II of the First Schedule to the applicable Finance Act. In terms of the said provisions, tax at applicable rates will be deducted from payment of LTCG to a non-resident taxpayer (other than an FPI). The capital gains will be required to be computed in accordance with the provisions of the Income-tax Act.

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT 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 ABOVE. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE ABOVE.

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

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

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

9 DOCUMENTS FOR INSPECTION

The following documents are available for inspection to the Shareholders of the Target Company at the Merchant Banking Division of the Manager to the Offer situated at 807, Phoenix Tower, Opp. New Girish Cold Drinks, Near Vijay Cross Road, Navarangpura, Ahmedabad-380009 Phone No.- 079-48405357/6357 during the Tendering Period from Monday to Friday between 10.00 A.M. to 5.00 p.m. until the closure of the Offer except SEBI Holidays.

- 9.1. Certificate of Incorporation, Memorandum of Association and Articles of Association of Angel Fibers Limited.
- 9.2. Un-Audited limited reviewed Financials for the half year ended on September 30, 2019, Annual Reports of the TC for the financial years ended on March 31, 2019, March 31, 2018 and March 31, 2017.
- 9.3. Certificate from Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAQ7596 vide her certificate dated March 17, 2020 certifying the networth of Mr. Jitendra G. Raiyani as on March 16, 2020 and further certifies that Mr. Jitendra G. Raiyani has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company.
- 9.4. Certificate from Ms. Jyoti katariya, Chartered Accountant (Membership No. 116861), Proprietor of Jyoti Katariya & Associates, Chartered Accountants (Firm Registration No. 125309W), UDIN: 20116861AAAAAP1208 vide her certificate dated March 17, 2020 certifying the networth of Mr. Rameshkumar Jivrajbhai Ranipa and further certifies that Mr. Rameshkumar Jivrajbhai Ranipa has sufficient funds to meet his part of obligations under open offer to the shareholders of Target Company.

- 9.5. Copy of the Share Purchase Agreement dated March 17, 2020 (Tuesday) entered into between the Acquirers and the Sellers.
- 9.6. Copy of Public Announcement dated March 17, 2020 (Tuesday) and published copy of the Detailed Public Statement dated March 24, 2020 (Tuesday).
- 9.7. IndusInd Bank Limited confirmation w.r.t. the cash deposit of ₹ 6,50,00,000/- (Rupees Six Crore and Fifty Lakhs Only) kept in Escrow Account opened as per the Regulations and empowering Manager to the Offer.
- 9.8. Copy of the recommendation dated [●], made by the Target Company's Committee of Independent Directors, as required in terms of Regulation 26(7) of SEBI (SAST) Regulations.
- 9.9. Copy of Letter of Appointment of the Manager to the Open Offer by the Acquirers dated March 17, 2020 (Tuesday).
- 9.10. Copy of Due Diligence Certificate given by Beeline Broking Limited, Manager to the Offer dated April 1, 2020 (Wednesday).
- 9.11. Copy of Agreement dated March 18, 2020 between the Acquirers and Bigshare Services Private Limited to act as the Registrar to the Offer and share transfer agent for the purpose of this Offer.
- 9.12. Copy of the letter no. [●] received from SEBI dated [●], 2020 containing its comments on this Draft Letter of Offer in terms of provisions of Regulation 16(4) of SEBI (SAST) Regulations.

10 DECLARATION BY THE ACQUIRERS

- 10.1. The Acquirers jointly and severally accept full responsibility for the information contained in this Draft Letter of Offer and also for the obligations of the Acquirers as laid down in terms of the SEBI (SAST) Regulations. In relation to the information pertaining to the Sellers and the Target Company, the Acquirers have relied on the information provided by the Target Company, the Sellers and publicly available sources and have not independently verified the accuracy of such information.
- 10.2. The Acquirers shall be responsible for ensuring compliances with the provisions of the SEBI (SAST) Regulations for obligations laid down in the SEBI (SAST) Regulations.
- 10.3. The Manager to the Offer hereby states that the persons signing this Draft Letter of Offer are the Acquirers duly authorized persons to sign this Draft Letter of Offer.

Mr. Jitendra G. Raiyani
PAN: ABJPR3501K
(Acquirer No. 1)
Place: Rajkot

Mr. Rameshkumar Jivrajbhai Ranipa
PAN: AAWPR3816M
(Acquirer No. 2)
Place: Jamnagar

Date: April 1, 2020

Enclosed:

1. Draft Form of Acceptance-Cum-Acknowledgement

FORM OF ACCEPTANCE – CUM – ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as described thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**OFFER OPENS ON: MONDAY, MAY 18, 2020****OFFER CLOSES ON: MONDAY, JUNE 1, 2020****From:**

Name:

Address:

Status: Resident/ Non Resident

To,**BIGSHARE SERVICES PRIVATE LIMITED**

1st Floor, Bharat Tin works Building, Opp. Vasant Oasis, Makwana

Road, Marolnaka, Andheri East, Mumbai, Maharashtra- 400059

Tel No.: +91-022-62638200**Fax:** ++91-022-62638280**E-mail ID:** openoffer@bigshareonline.com; investor@bigshareonline.com

Dear Sir,

Sub.: OPEN OFFER FOR ACQUISITION OF UP TO 65,00,000 (SIXTY FIVE LAKHS) FULLY PAID UP EQUITY SHARES OF ₹ 10 EACH REPRESENTING 26.00% OF EQUITY SHARE CAPITAL/VOTING CAPITAL AS OF THE TENTH WORKING DAY FROM THE CLOSURE OF THE TENDERING PERIOD OF THE OPEN OFFER FROM THE ELIGIBLE SHAREHOLDERS OF THE ANGEL FIBERS LIMITED FOR CASH AT A PRICE OF ₹ 9.00 (RUPEES NINE ONLY) PER EQUITY SHARE (“OFFER PRICE”), BY MR. JITENDRA G. RAIYANI (ACQUIRER No. 1) AND MR. RAMESHKUMAR JIVRAJBHAI RANIPA (ACQUIRER No. 2) (HEREIN AFTER COLLECTIVELY REFERRED AS “ACQUIRERS”) WITH AN INTENTION TO ACQUIRE CONTROL OF THE TARGET COMPANY.

I/We refer to the Letter of Offer dated April __, 2020 for acquiring the Equity Shares held by me/us in AFL.

I/We, the undersigned, have read the Letter of Offer, Detailed Public Statement and understood their contents including the terms and conditions and procedure as mentioned therein and unconditionally accept such terms and conditions.

I I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

Details of Public Shareholder:

NAME (IN BLOCK LETTERS)	Holder	Name of Public Shareholder	Permanent Account No. (PAN)
(Please write names of the joint holders in the same order as appearing in the demat account)	Sole / First		
	Second		
	Third		
Contact number(s) of the first holder	Tel No. with STD Code Mobile no.		
Full address of the first holder (with pin code)			
Email address of the first holder			
Date and Place of incorporation (if applicable)			

For all Eligible Public Shareholders

1. I / We confirm that the Offer Shares which are being tendered herewith by me / us under this Open Offer, are free from liens, charges, equitable interests and encumbrances and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
2. I / We have obtained any and all necessary consents to tender the Offer Shares on the foregoing basis.
3. I/We declare that there are no restraints/injunctions or other order(s) of any nature which limits/restricts in any manner my/ our right to tender Offer Shares in this Open Offer and that I/we am/are legally entitled to tender the Offer Shares in this Open Offer.
4. I / We agree that the Acquirer will pay the consideration as per secondary market mechanism only after verification of the certifications, documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirer any Open Offer consideration that may be wrongfully received by me / us.
5. I/We declare that regulatory approvals, if applicable, for holding the Offer Shares and/or for tendering the Offer Shares in this Open Offer are enclosed herewith.
6. I / We confirm that I / We are not persons acting in concert or persons deemed to be acting in concert with the Acquirer or the Seller.
7. I / We give my/our consent to the Acquirer to file any statutory documents on my/our behalf in relation to accepting the Offer Shares in this Open Offer.
8. I / We confirm that I / we are in compliance with the terms of the Open Offer set out in the PA, the DPS, and the LOF.
9. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer to effectuate this Open Offer in accordance with the SEBI (SAST) Regulations.
10. I / We are / am not debarred from dealing in shares or securities.
11. I / We confirm that there are no taxes or other claims pending against me / us which may affect the legality of the transfer of Offer Shares under the Income Tax Act, including but not limited to section 281 of the Income Tax Act.
12. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
13. I / We confirm that 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 me / us, or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares or any other payments, I / we will indemnify the Acquirer for such income tax demand (including interest, penalty, etc.) and provide the Acquirer with all information / documents that may be necessary and co- operate in any proceedings before any income tax / appellate authority.
14. I / We authorise the Acquirer to accept the Offer Shares so offered or such lesser number of Offer Shares which the Acquirer may decide to accept in consultation with the Manager to the Offer and the Registrar to the Offer and in terms of the LOF. I / we further authorize the Acquirer to return to me / us, Equity Shares in respect of which this Open Offer is not found valid / not accepted without specifying the reasons thereof.

The bank account details for the purpose of payment of consideration will be taken from the record of the depositories.

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

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

Individual	Foreign Company	FPI - Corporate	FPI - Others	FVCI
Foreign Trust	Private Equity Fund	Pension/ Provident Fund	Sovereign Wealth Fund	Partnership / Proprietorship Firm
Financial Institution	NRIs/PIOs-repatriable	NRIs/ PIOs - non repatriable	OCB	QFI
Insurance Company	Indian Company	Indian Trust	Others - please Specify	

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

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

In case of non-resident Public Shareholders, I/We, confirm that the Offer Shares tendered by me/ us are held on (√ whichever is applicable)

- ❖ Repatriable basis
- ❖ Non - repatriable basis

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

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

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

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

Additional confirmations and enclosures for all Public Shareholders, as applicable I / We, have enclosed the following documents (√ whichever is applicable):

- ❖ Self-attested copy of PAN card.
- ❖ Self-declaration form in Form 15 G / Form 15 H, in duplicate copy.
- ❖ Certificate from Income-tax Authorities for deduction of tax at lower or nil rate.
- ❖ For Banks, LIC, Unit Trust of India and other specified entities covered under Section 194A (3)(iii) of the Income Tax Act, self-attested copy of relevant registration or notification.
- ❖ 'Valid Tax Residency Certificate' issued by the income tax authority of a foreign country of which he / it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in 'Form 10F' as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.

SEBI registration certificate issued to Category I or Category II Alternative Investment Funds if such fund intends to claim exemption from TDS under Section 197A(1F) of the Income Tax Act.

Yours faithfully

Signed & Delivered	Full Name	PAN	Signature
Sole / First Holder			
Second Holder			
Third Holder			

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

Place:

Date:

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

Acknowledgement Receipt – Angel Fibers Limited - Open Offer

Received from Mr./Ms./M/s

_____ Form of
Acceptance-cum-Acknowledgement for Angel Fibers Limited -Open Offer as per details below:

Copy of delivery instruction to depository participant of Client ID _____ for _____ Equity