

Punjab Alkalies and Chemicals Limited

CIN: L24119CH1975PLC003607, Registered Office: S. C. O. 125-127, Sector 17-B, Chandigarh - 160 017

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Open Offer for acquisition of upto 7,056,607 fully paid up equity shares of face value Rs. 10/- each of Punjab Alkalies and Chemicals Limited (the "Target Company") representing 26.00% of the total issued Share capital and 26.03% of voting capital of the Target Company from the Eligible Shareholders (as defined below) by Flowtech Industrial Projects Private Limited ("Acquirer 1"), Flowtech Chemicals Private Limited ("Acquirer 2"), Mr. Sukhbir Singh Dahiya ("Acquirer 3"), Mr. Jagbir Singh Ahlawat ("Acquirer 4"), Mr. Jatin Dahiya ("Acquirer 5") and Mrs. Parerna Ahlawat ("Acquirer 6") (collectively known as "Acquirers") and Mrs. Dayawati Dahiya (PAC 1), Mr. Mayank Ahlawat ("PAC2"), Ms. Garima ("PAC 3"), Himalaya Alkalies and Chemicals Limited ("PAC 4"), Advance Chemicals ("PAC 5") and Tara Mercantile Private Limited ("PAC 6") (collectively known as "PACs") pursuant to and in compliance with the requirements of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time ("SEBI SAST Regulations") (the "Open Offer" / "Offer").

This corrigendum ("Corrigendum") is being issued by Sundae Capital Advisors Private Limited ("Manager"), for an on behalf of the Acquirers along with the PACs, in respect of the Open Offer to the Eligible Shareholders of the Target Company, pursuant to and in compliance with the SEBI SAST Regulation to amend and supplement the public announcement dated August 05, 2020 ("Public Announcement"), the corrigendum to the public announcement dated August 07, 2020 ("Corrigendum to the Public Announcement"), the detailed public statement published on August 11, 2020 ("Detailed Public Statement") and the letter of offer dated September 04, 2020 ("Letter of Offer") issued in accordance with the provisions of the SEBI SAST Regulations. Capitalized terms used in this Corrigendum and not defined herein shall have the same meaning as ascribed in the Public Statement, the Detailed Public Statement and the Letter of Offer.

UPDATE RELATING TO DISINVESTMENT OF EQUITY SHARES HELD BY EXISTING PROMOTER OF THE TARGET COMPANY THROUGH PRELIMINARY INFORMATION MEMORANDUM AND GLOBAL INVITATION OF EXPRESSION OF INTEREST ISSUED ON JULY 24, 2020

The Government of Punjab through Punjab State Industrial Development Corporation Limited, the Existing Promoter, has issued an advertisement alongwith Preliminary Information Memorandum and Global Invitation of Expression of Interest on July 24, 2020 for proposed strategic disinvestment of the entire Equity Shares held by the Existing Promoter in the Target Company. The Global Invitation for Expression of Interest for strategic disinvestment of 33.49% shareholding in the Target Company by the Existing Promoter of the Target Company also states that in case any Interested Bidder(s) chooses to make an open offer under SEBI regulations, Government of Punjab reserves the right to accept or reject such open offer without communicating any reason whatsoever.

The Acquirers and PACs on September 12, 2020, had written a letter to the advisor to the Directorate of Public Enterprises & Disinvestment, Government of Punjab, for the proposed disinvestment of the Equity Shares held by Punjab State Industrial Development Corporation Limited ("PSIDCL" / "Existing Promoter of the Target Company") in the Target Company. The Acquirers and PACs had proposed, subject to the receipt of confirmation from PSIDCL / Directorate of Public Enterprises & Disinvestment / Government of Punjab that they will tender the equity shares held by them in the Target Company under the Open Offer in terms of the above mentioned Letter of Offer dated September 04, 2020, to increase the Offer Size and Offer Price. Further, the Acquirers and PACs have also given an undertaking stating as under:

"In case our bid is considered and accepted by the Directorate of Public Enterprises & Disinvestment, Government of Punjab as valid and your good office decides to tender the said 9,090,000 equity shares under the Open Offer, we hereby give this binding and irrevocable undertaking to the Directorate of Public Enterprises & Disinvestment, Government of Punjab that if the entire 9,090,000 equity shares of PACL held by PSIDCL are not fully acquired by us under the Open Offer, for whatsoever reason, we will acquire the remaining equity shares held by PSIDCL in PACL after the Open Offer, in one or more tranches (subject to 5% creeping acquisition limit during any one financial year under the SEBI SAST Regulations), within 12 months of completion of the Open Offer at the Offer Price / Revised Offer Price, if any, on which the shares are acquired under the Open Offer.

In case we are not able to acquire the remaining equity shares within the above specified period, PSIDCL shall have a right to recover a penalty of upto Rs. 5 cr (Rupees Five crore only) from the Acquirers after completion of 12 months for breach of the undertaking for acquisition of remaining shares. The said penalty is only with respect to the remaining shares not acquired under the Open Offer."

Thereafter, the Acquirers and PACs have *suo moto* agreed to increase the Offer Size and Offer Price, as provided below in this Corrigendum. Accordingly, the Eligible Shareholders of the Target Company are requested to take note of the same and also the following changes / amendments given in this Corrigendum with respect to and in relation to the Open Offer.

A. REVISION IN THE DETAILED PUBLIC STATEMENT AND THE LETTER OF OFFER, BOTH

1. UPWARD REVISION OF OFFER PRICE

In terms of Regulation 18(4) and Regulation 18(5) of the SEBI SAST Regulations, the Acquirers and the PACs have decided to revise the Offer Price upwards from Rs. 39.10 (Rupees Thirty Nine and Paise Ten only) per Equity Share to Rs. 45.00 (Rupees Forty Five only) per Equity Share ("Revised Offer Price").

The term "Offer Price" in the Public Announcement, Detailed Public Statement and Letter of Offer should accordingly be read to mean the "Revised Offer Price".

2. UPWARD REVISION OF NUMBER OF SHARES AND OFFER SIZE

In terms of Regulation 18(4) and Regulation 18(5) of the SEBI SAST Regulations, the Acquirers and the PACs have decided to revise the Number of Shares upwards from 7,056,607 Equity Shares, representing 26.00% of the total issued Share capital and 26.03% of voting capital of the Target Company to 9,200,000 (Ninety Two Lakh) Equity Shares ("Revised Offer Shares"), representing 33.90% of the total issued Share capital and 33.94% of voting capital of the Target Company ("Revised Offer Size").

The term "Offer Size" and "Offer Shares" in the Public Announcement, Detailed Public Statement and Letter of Offer should accordingly be read to mean the "Revised Offer Size" and "Revised Offer Shares" respectively.

3. FINANCIAL ARRANGEMENTS

Based on the Revised Offer Size and Revised Offer Price, the maximum consideration payable under this Offer (assuming full acceptance) at the Revised Offer Price of Rs. 45 (Rupees Forty Five only) per Equity Share will be Rs. 414,000,000 (Rupees Forty One Crore Forty Lakhs only) i.e. the consideration payable for the acquisition of 9,200,000 Equity Shares at the Revised Offer Price ("Revised Maximum Consideration").

The term "Maximum Consideration" in the Public Announcement, Detailed Public Statement and Letter of Offer should accordingly be read to mean the "Revised Maximum Consideration".

Clause 6.2 of Letter of Offer and Clause 7 of Detailed Public Statement and their references in the Letter of Offer and Detailed Public Statement should be read as under:

- The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 9,200,000 Equity Shares from the Eligible Shareholders of the Target Company at Revised Offer Price of Rs. 45 (Rupees Forty Five Only) per Equity Share is Rs. 414,000,000 (Rupees Forty One Crore Forty Lakhs only), (the "Revised Maximum Consideration").
- The Acquirers, the Manager to the Offer and IndusInd Bank Limited, a scheduled commercial bank incorporated under the laws of India, acting through its branch at Shop No. 2/3, Atlanta Building, Ground Floor, Nariman Point, Mumbai - 400 021, have entered into an Escrow Agreement on August 05, 2020, for the purpose of the Offer (the "Escrow Agreement"). Pursuant to the Escrow Agreement, the Acquirers have deposited Rs. 43,000,000 (Rupees Four Crore Thirty Lakh Only) in cash in the Escrow Account which is equivalent to 10.39% of the value of Revised Maximum Consideration payable under the Offer (assuming full acceptances). The Manager to the Offer is duly authorised by the Acquirers to realise the value of the Escrow Account and operate the Escrow Account in terms of the SEBI SAST Regulations.
- Further, the Acquirers have also provided Fixed Deposits with IndusInd Bank Limited aggregating to Rs. 233,000,000 (Rupees Twenty Three Crore Thirty Lakh Only) ("Fixed Deposit") with an irrevocable lien marked in favour of the Manager to the Offer. In terms of the Escrow Agreement, the Manager to the Offer can at any time invoke the lien and encash the proceeds of the Fixed Deposit in terms of the SEBI SAST Regulations.
- In accordance with Regulation 17 of the SEBI SAST Regulations, the amount of Fixed Deposit lien marked in favor of the Manager to the Offer alongwith the cash deposited in the Escrow Account, aggregating to Rs. 276,000,000 (Rupees Twenty Seven Crore Sixty Lakh Only). The said amount represented 100.02% of the Maximum Consideration based on the initial Offer Size. Pursuant to increase in Offer Size and Offer Price, the existing amount kept in the Escrow Account is equivalent to 66.67% of the value of Revised Maximum Consideration payable under the Offer (assuming full acceptances) (the "Escrow Amount"), which is in excess of the minimum requirement of 25% of the Revised Maximum Consideration in terms of Regulation 17(1) of the SEBI SAST Regulations.
- The Acquirers & PACs has adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) of the SEBI SAST Regulations. CA Dharendra Kumar (Membership no. 504516), Partner, Krishna Kumar and Associates, Chartered Accountants (Firm Registration No. 005586C), has vide their certificate dated September 14, 2020 (UDIN : 20504516AAAEEA6170) certified that the Acquirers & PACs has sufficient resources to meet the fund requirements under the Open Offer pursuant to Revised Offer Price, Revised Offer Shares and Revised Offer Size. The acquisition will be financed through internal accruals.
- Based on the above and in the light of the Escrow arrangement, the Manager to the Offer is satisfied that firm arrangements have been put in place by the Acquirers and PACs to fulfill their obligations through verifiable means in relation to the Offer in accordance with the SEBI SAST Regulations.
- In case of any upward revision in the Offer Price or the Offer Size, the value of the Escrow Amount shall be computed on the revised consideration calculated at such revised Offer Price or Offer Size and any additional amounts required will be funded via cash in the Escrow Account by the Acquirers prior to effecting such revision, in terms of Regulation 17(2) of the SEBI SAST Regulations.

B. REVISION IN THE DETAILED PUBLIC STATEMENT

1. DETAILS OF COMPLIANCE WITH THE APPLICABLE PROVISIONS OF CHAPTER V OF SEBI SAST REGULATIONS BY THE ACQUIRERS & PACS

The note to the table under Clause 1.13 of the Detailed Public Statement shall be read as under:

"Acquirer 3 ("Applicant"), alongwith Acquirer 1, Acquirer 4, Acquirer 6, PAC 1, PAC 3, PAC 4 and PAC 5 has filed a settlement application with SEBI on November 01, 2019 to condone the delayed in filing of the said disclosures due to inadvertence. The Applicant has submitted the revised settlement terms with SEBI on August 20, 2020 which will be placed before the High Powered Advisory Committee and panel of Whole Time Members of SEBI for their consideration and recommendation. We are awaiting the final recommendation / order from SEBI."

2. ACQUISITION OF PARTLY PAID SHARES

The Clause 3.5 of the Detailed Public Statement shall read as under:

There are 72,152 number of partly paid-up shares in the Target Company with paid-up value Rs. 5 each. The Acquirers and PACs shall acquire partly paid up shares tendered under the Offer, subject to such Shareholders holding partly paid-up shares of the Target Company making full payment to the Target Company, including interest liability, if any, outstanding in respect of the amount unpaid. The partly paid-up Shareholder will have to contact the Target Company for knowing the amount outstanding and payable in respect of such shares, including the interest payable.

3. DETAILS OF FULLY CONVERTIBLE DEBENTURES ISSUED BY THE TARGET COMPANY

The Target Company has made the following disclosure with BSE on August 14, 2020 w.r.t. the FCDs issued by it:

"With reference to the above mentioned subject, we would like to inform you that the existing tenure / redemption date of 27,69,200 Secured Fully Convertible Debentures of Rs. 100/- each issued to CDR Lenders has been extended by six months from 01.07.2020 to 01.01.2021 as approved by Debenture Trustee alongwith CDR Lenders / Debenture holders and the Board of Directors of the Company."

Accordingly, in Clause 2.7, 2.11(b) and 3.2, the disclosure related to the date of conversion of FCDs shall be read as January 01, 2021.

4. SHAREHOLDING AND ACQUISITION DETAILS

Clause 5.1 of the Detailed Public Statement, shall stand substituted by this Corrigendum and shall read as under:

The present and proposed shareholding of the Acquirers and PACs and the details of their acquisition are as follows:

Shareholders category	Shareholders and voting rights prior to acquisition and the Offer		Share / voting rights acquired under the PO with triggered the Regulations		Shares / voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholders & voting rights after acquisition and offer	
	No.	%age*	No. ¹	%age*	No.	%age*	No.	%age*
(1) Acquirers and PACs								
(a) Flowtech Industrial Projects Private Limited	1,743,572	6.43	28,460	0.11	9,200,000	33.94	15,744,720	58.09
(b) Flowtech Chemicals Private Limited	-	-	-	-				
(c) Sukhbir Singh Dahiya	1,035,264	3.82	-	-				
(d) Jagbir Singh Ahlawat	800,020	2.95	-	-				
(e) Jatin Dahiya	-	-	-	-				
(f) Parerna Ahlawat	740,063	2.73	-	-				
(g) Dayawati Dahiya	712,034	2.63	-	-				
(h) Mayank Ahlawat	-	-	-	-				
(i) Garima	220,000	0.81	-	-				
(j) Himalaya Alkalies & Chemicals Limited	520,878	1.92	-	-				
(k) Advance Chemicals	392,032	1.45	-	-				
(l) Tara Mercantile Private Limited	352,397	1.30	-	-				
Total (1) →	6,516,260	24.04	28,460	0.11				

* Percent of the voting capital of the Target Company.

¹ Pursuant to the PO, the Acquirer 1 has acquired 28,460 Equity Shares at a price of Rs. 39.00 per Equity Share on BSE on August 10, 2020

C. REVISION IN THE LETTER OF OFFER

1. DETAILS OF THE PROPOSED OFFER

Clause 3.2.12 of the Letter of Offer, shall stand substituted by this Corrigendum and shall read as under:

"Upon the completion of the Offer, assuming full acceptances in the Offer and Equity Shares acquired pursuant to the PO, the Acquirers & PACs will hold 15,744,720 (One Crore Fifty Seven Lakh Forty Four Thousand Seven Hundred and Twenty Seven Only) Equity Shares constituting 58.01% of the Equity Share Capital and 58.09% of the Voting Capital of the Target Company."

2. SHAREHOLDING AND ACQUISITION DETAILS

(a) Under Clause 5.12 of the Letter of Offer, the table of shareholding shall stand substituted by this Corrigendum and shall read as under:

Shareholders category	Shareholders and voting rights prior to acquisition and the Offer		Share / voting rights acquired under the PO with triggered the Regulations		Shares / voting rights to be acquired in Open Offer (assuming full acceptances)		Shareholders & voting rights after acquisition and offer	
	No. ²	%age	No.	%age	No.	%age	No. ²	%age
(1) Acquirers and PACs								
(a) Flowtech Industrial Projects Private Limited	1,743,572	6.43	28,460	0.11	9,200,000	33.94	15,744,720	58.09
(b) Flowtech Chemicals Private Limited	-	-	-	-				
(c) Sukhbir Singh Dahiya	1,035,264	3.82	-	-				
(d) Jagbir Singh Ahlawat	800,020	2.95	-	-				
(e) Jatin Dahiya	-	-	-	-				
(f) Parerna Ahlawat	740,063	2.73	-	-				
(g) Dayawati Dahiya	712,034	2.63	-	-				
(h) Mayank Ahlawat	-	-	-	-				
(i) Garima	220,000	0.81	-	-				
(j) Himalaya Alkalies & Chemicals Limited	520,878	1.92	-	-				
(k) Advance Chemicals	392,032	1.45	-	-				
(l) Tara Mercantile Private Limited	352,397	1.30	-	-				
Total (1) →	6,516,260	24.04	28,460	0.11				
(2) Existing Promoter of the Target Company								
(a) Parties to agreement, if any	-	-			(28,460)	(0.11)	(9,200,000)	(33.94)
(b) Promoters other than (a) above ³	9,090,000	33.49						
Total (2) →	9,090,000	33.49						
(3) Parties to agreement other than 1 & 2 (a)	-	-	(28,460)	(0.11)			11,360,000	41.91
(4) Public (other than parties to agreement and Acquirers and PACs)								
(a) Institutions (FIs / MFs / FIIIs / FPIs / Banks, etc)	24,225	0.09			11,474,235	42.33		
(b) Others including individuals, body corporates, trusts, etc	11,474,235	42.33						
Total (4) →	11,498,460	42.42						
Subtotal (5) = (2)+(3)+(4)	20,588,460	75.96	(28,460)	(0.11)	(9,200,000)	(33.94)	11,360,000	41.91
Grand total (1) + (5) →	27,104,720	100.00	-	-	-	-	27,104,720	100.00

D. OTHER INFORMATION

- All other terms and conditions of the Offer and the Public Announcement, Detailed Public Statement and Letter of Offer remain unchanged.
- The Acquirers and the PACs including their respective directors and / or partners accept full responsibility for the information contained in the Corrigendum to the Public Announcement, Detailed Public Statement and the Letter of Offer and shall be jointly and severally responsible for the fulfillment of their obligations laid down in the SEBI SAST Regulations in respect of the Open Offer.
- The Corrigendum is expected to be available on the SEBI website (www.sebi.gov.in).

ISSUED FOR AND ON BEHALF OF THE ACQUIRERS AND PACS BY THE MANAGER TO THE OFFER

Sundae Capital Advisors Private Limited

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SUNDAE

for and on behalf of Acquirers and PACs

Signed by Sukhbir Singh Dahiya for himself and also on behalf of Dayawati Dahiya, Garima, Flowtech Industrial Projects Private Limited, Flowtech Chemicals Private Limited, Himalaya Alkalies and Chemicals Limited and Tara Mercantile Private Limited	Signed by Jagbir Singh Ahlawat for himself and also on behalf of Parerna Ahlawat and Mayank Ahlawat	Signed by Jatin Dahiya for himself and also on behalf of Advance Chemicals
Sd/- Sukhbir Singh Dahiya	Sd/- Jagbir Singh Ahlawat	Sd/- Jatin Dahiya

Place: New Delhi

Date: September 14, 2020