

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

This Draft Letter of Offer is being sent to you, being an Eligible Shareholder of Dhanuka Agritech Limited (the "Company"/ "Dhanuka") as on the Record Date, being November 18, 2022, in accordance with the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended. If the Eligible Shareholders require any clarifications regarding the actions to be taken, they may consult their stock brokers or investment consultants or the Manager to the buyback i.e. Sundae Capital Advisors Private Limited or the Registrar to the Buyback i.e. Bigshare Services Private Limited. Please refer to the section on "Key Definitions", on page 1 of this Draft Letter of Offer, for definition of the capitalized terms used herein.



Dhanuka Agritech Limited

Corporate Identity Number: L24219DL1985PLC020126

Registered Office: 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh New Delhi - 110 005, India

Tel: +91 11 2353 4551

Correspondence Address: Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station, Gurugram - 122 002, Haryana, India

Tel: +91 124 434 5000

Website: www.dhanuka.com, **Email:** investors@dhanuka.com

Contact Person: Mr. Jitin Sadana, Company Secretary and Compliance Officer

Buyback of upto 10,00,000 (Ten Lakh) fully paid-up equity shares, of face value of Rs. 2/- (Rupees Two) each ("Equity Shares"), representing 2.15% of the paid-up equity share capital of the Company as on March 31, 2022 ("Buyback"). The Buyback will be undertaken on a proportionate basis, from the Eligible Shareholders holding Equity Shares as on November 18, 2022 ("Record Date"), by way of a Tender Offer through the stock exchange mechanism ("Tender Offer"), for cash at a price of Rs. 850 (Rupees Eight Hundred Fifty Only) ("Buyback Price") per Equity Share for an aggregate amount of upto Rs. 85 Crores (Rupees Eighty Five Crores only) ("Buyback Size") excluding expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter- alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses ("Transaction Cost"), and said Buyback size represents 8.95% of the aggregate of the paid up share capital and free reserves as per the audited standalone and consolidated financial statements, respectively as on March 31, 2022.

- The Buyback is being undertaken by the Company in accordance with Article 12 of the Articles of Association of the Company, Sections 68, 69, 70, 179 and other applicable provisions of the Companies Act, 2013 ("Act") and the relevant rules made thereunder including the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Management and Administration) Rules, 2014 ("Rules") and Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (the "SEBI Buyback Regulations"). The Buyback is subject to such other approvals, and permissions, as may be required from time to time from any statutory, regulatory or governmental authorities under applicable law.
- The Buyback size represents 8.95% of the aggregate of the paid up share capital and free reserves as per the audited standalone and consolidated financial statements respectively as on March 31, 2022 and is within the statutory limits of 10% of the fully paid-up equity capital and free reserves as per the last audited standalone and consolidated financial statements of the Company.
- This Draft Letter of Offer is sent to the Eligible Shareholders as on the Record Date, i.e. November 18, 2022
- A copy of the Public Announcement published on November 03, 2022, this Draft Letter of Offer and the Letter of Offer (including the Tender Form(s) and SH-4) shall be available on the website of the Securities and Exchange Board of India at www.sebi.gov.in and on the website of the Company at www.dhanuka.com.
- For details of the procedure for acceptance, please refer to the "Process and Methodology for the Buyback" on page 25 of this Draft Letter of Offer.
- For details of the procedure for tender of Equity Shares as well as for mode of payment of consideration to Eligible Shareholders, please see the section entitled "Procedure for Tender Offer and Settlement" on page 31 of this Draft Letter of Offer. The Tender Form(s) is enclosed with this Draft Letter of Offer.
- Eligible Shareholders are advised to refer this Draft Letter of Offer and in particular refer to the sections entitled "Details of Statutory Approvals" and "Note on Taxation" on pages 24 and 36 respectively, of this Draft Letter of Offer, before tendering their Equity Shares in the Buyback.

Buyback opens on: [●], [●]

Buyback closes on: [●], [●]

Last date / time for receipt of the completed Tender Offer Form and other specified documents by the Registrar to the Buyback: [●], [●]

Manager to the Buyback

Registrar to the Buyback

SUNDAE



Bigshare Services Pvt. Ltd.

Sundae Capital Advisors Private Limited

Level 11, Platina, Plot No C - 59, 'G' Block

Bandra Kurla Complex, Bandra (East)

Mumbai - 400 051, Maharashtra, India

Tel. No. +91 22 6884 1336

Email: dhanuka.buyback@sundaecapital.com

Investor Grievance e-mail id: grievances.mb@sundaecapital.com

Website: www.sundaecapital.com

SEBI Regn. No.: INM000012494

Validity Period: Permanent

Contact Person: Janil Jain / Ridima Gulati

Bigshare Services Private Limited

Office No. S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura

Centre, Mahakali Caves Road,, Andheri (East)

Mumbai - 400 093, Maharashtra, India

Tel.: + 91 22 6263 8200

Fax: +91 22 6263 8299

E-mail ID: buybackoffer@bigshareonline.com

Website: www.bigshareonline.com

SEBI Regn. No.: INR000001385

Contact Person: Jibu John

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1. SCHEDULE OF ACTIVITIES

Particulars	Date	Day
Date of Board Meeting approving the Buyback	November 01, 2022	Tuesday
Date of publication of the Public Announcement for the Buyback	November 03, 2022	Thursday
Record Date for determining the Buyback Entitlement and the names of Eligible Shareholders	November 18, 2022	Friday
Date of Opening of the Buyback	[●]	[●]
Date of Closing of the Buyback	[●]	[●]
Last date of receipt of the completed Tender Forms and other specified documents by the Registrar to the Buyback *	[●]	[●]
Last date of verification of Shares tendered by the Registrar to the Buyback	[●]	[●]
Last date for settlement of bids on the Stock Exchanges	[●]	[●]
Last date of intimation to the Stock Exchanges regarding Acceptance/ non-acceptance of tendered Equity Shares by the Registrar to the Buyback	[●]	[●]
Last date of dispatch of share certificate(s) by Registrar / payment of consideration to shareholders / return of unaccepted demat shares by Stock Exchange to Eligible Shareholders	[●]	[●]
Last date of extinguishment of Equity Shares	[●]	[●]

* Eligible Shareholders are required to submit their form(s) with their broker for bidding. After entering a valid bid, the seller member should send either by registered post / courier to the Registrar to the Buyback the Tender Forms along with the requisite documents, superscribing the envelope as “**Dhanuka Agritech Limited – Buyback 2022-23**”, or hand deliver the same to the Registrar to the Buyback at the address mentioned on the cover page or in Clause 18 of this Draft Letter of Offer.

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

2. KEY DEFINITIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Draft Letter of Offer, but not defined herein shall have the meaning ascribed to such terms under the SEBI Buyback Regulations, the Companies Act, 2013, the Depositories Act, and the rules and regulations made thereunder.

Act / Companies Act	The Companies Act, 2013, as amended and applicable rules thereunder
Acceptance	Acceptance of Equity Shares tendered by Eligible Shareholders in the Buyback Offer
Acquisition Window	The facility for acquisition of Equity Shares through mechanism provided by the Designated Stock Exchange in the form of a separate window in accordance with the SEBI Circular
Additional Equity Shares or Additional Shares	Additional Equity Shares tendered by an Eligible Shareholder over and above the Buyback Entitlement of such Eligible Shareholder
Articles	Articles of Association of the Company
Board / Board of Directors	Board of Directors of the Company
BSE	BSE Limited
Buyback / Buyback Offer / Offer	Offer to Buyback up to 10,00,000 fully paid-up Equity Shares of face value Rs. 2/- each of the Company at a price of Rs. 850 (Rupees Eight Hundred Fifty only) per Equity Share for an aggregate amount of up to Rs. 85 Crores (Rupees Eighty Five Crores only), in accordance with the SEBI Buyback Regulations and relevant provisions of the Act by way of a Tender Offer through the stock exchange mechanism

Buyback Entitlement or Entitlement	The number of Equity Shares that an Eligible Shareholder is entitled to tender, in the Buyback, based on the number of Equity Shares held by such Eligible Shareholder, on the Record Date and the ratio of Buyback as applicable in the category to which such Eligible Shareholder belongs
Buyback Price	Price at which Equity Shares will be bought back from the Equity Shareholders i.e. Rs. 850 (Rupees Eight Hundred Fifty only) per fully paid up Equity Share, payable in cash
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
Company	Dhanuka Agritech Limited
Company's Broker	Eureka Stock & Share Broking Services Limited
Company Demat Account	The depository account titled "Dhanuka Agritech Limited – Buyback opened by the Company
DP	Depository Participant
Depositories	Collectively, National Securities Depository Limited and Central Depository Services (India) Limited
Designated Stock Exchange / DSE	The designated stock exchange for the Buyback is BSE
Director(s)	Director(s) of the Company
Draft Letter of Offer	The Draft Letter of Offer dated November 11, 2022 filed with SEBI
Eligible Shareholder or Eligible Person(s)	All Person(s) /shareholders / beneficial owners of shares holding Equity Shares as on record date and who are eligible to participate in the Buyback
Equity Shares / Shares	Fully paid-up equity shares of the Company each having a face value of Rs. 2/- (Rupees Two Only)
Escrow Account	The Escrow Account titled "DAL Buyback 2022-23 Escrow Account" opened with the Escrow Agent
Escrow Agent	HDFC Bank Limited
Escrow Agreement	The Escrow Agreement entered into between the Company, the Manager and the Escrow Agent
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investors
General Category	Category of Eligible Shareholders other than Small Shareholders
IT Act	Income Tax Act, 1961, as amended from time to time
Letter of Offer	The Letter of offer dated [●] containing disclosures in relation to the Buyback as specified in the SEBI Buyback Regulations, including comments received from SEBI on the Draft Letter of Offer
Manager to the Buyback / Manage to the Offer / Manager	Sundae Capital Advisors Private Limited
NRI / Non Resident Indian	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2000, as amended from time to time
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
Public Announcement	The Public Announcement, made in accordance with the SEBI Buyback Regulations, dated November 02, 2022, published in all editions of the Financial Express (English national daily) and Jansatta (Hindi national daily) on November 03, 2022 each with wide circulation at the place where the Registered Office of the company is situated
Promoter & Promoter Group	Mr. Mahendra Kumar Dhanuka, Mr. Ram Gopal Agarwal, Ms. Uma Dhanuka, Ms. Urmila Dhanuka, Mr. Arun Kumar Dhanuka, Mr. Rahul Dhanuka, Mr. Manish Dhanuka, Ms. Mamta Dhanuka, Ms. Seema Dhanuka, Mr. Satya Narain Agarwal, Ms. Pushpa Dhanuka, Mr. Harsh Dhanuka, Mr. Mridul Dhanuka, Ms. Madhuri Dhanuka, Ms. Megha Dhanuka, Ms. Akangsha Dhanuka, Mr. Arjun Dhanuka, Mr. Abhishek Dhanuka, Mahendra Kumar Dhanuka HUF, Satyanarain Agarwal HUF, Gobind Lal Dhanuka HUF, Arun Kumar Dhanuka HUF, Mridul Dhanuka HUF, Ram Gopal Agarwal HUF, Golden Overseas Private Limited, Pushpa Dhanuka Trust, and Triveni Trust

Ratio of Buyback	The ratio of the Buyback: (i) in case of Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Small Shareholder on the Record Date; and (ii) for Eligible Shareholders other than Small Shareholders, [●] Equity Shares for every [●] Equity Shares held by such Eligible Shareholder on the Record Date
RBI	Reserve Bank of India
Record Date	November 18, 2022
Registrar to the Buyback	Bigshare Services Private Limited
SEBI	Securities and Exchange Board of India
SEBI Circular	Tendering of Equity Shares by Shareholders and settlement of the same, through the stock exchange mechanism as specified by SEBI in the circular bearing number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, as amended
Shareholders	Holders of Equity Shares and includes beneficial owners thereof
Shareholder's Broker	A Stock Broker of an Eligible Shareholder through whom the Eligible Shareholder wants to participate in the Buyback
Small Shareholder	'Small Shareholder' means a shareholder of a listed company, who holds shares or other specified securities whose market value, on the basis of closing price of shares or other specified securities, on the recognized stock exchange in which highest trading volume in respect of such security, as on record date is not more than Rs. 200,000/- (Rupees Two Lakh Only).
Stock Exchanges	BSE and NSE, being the stock exchanges where the Equity Shares of the Company are listed
SEBI Buyback Regulations	Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended from time to time
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
Tender offer	Method of buyback as defined in Regulation 2(1)(q) of the SEBI Buyback Regulations read with Regulation 9(vii) of the Buyback Regulations using stock exchange mechanism
Tender Offer Form / Form of Acceptance	The form to be filled in by the Shareholders to participate in the Buyback.
TRS	Transaction Registration Slip

3. DISCLAIMER CLAUSE

- 3.1 As required, a copy of the Draft Letter of Offer has been submitted to Securities and Exchange Board of India ("SEBI"). It is to be distinctly understood that submission of the Draft Letter of Offer with SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the company to meet the Buyback commitments or for the correctness of the statements made or opinions expressed in the Draft Letter of Offer. The Manager to the Buyback, Sundae Capital Advisors Private Limited has certified that the disclosures made in the Draft Letter of Offer are generally adequate and are in conformity with the provisions of Companies Act and the SEBI Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their shares in the Buyback.
- 3.2 It should also be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosure of all relevant information in the Draft Letter of Offer, the Manager to the Buyback offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose. Pursuant to this requirement, Manager to the Buyback Offer, Sundae Capital Advisors Private Limited has furnished to SEBI a due diligence certificate dated November 11, 2022 in accordance with the SEBI Buyback Regulations which reads as follows:

"We have examined various documents and materials relevant to the Buyback as part of the due diligence carried out by us in connection with the finalization of the public announcement dated November 02, 2022 and published on November 03, 2022 (the "Public Announcement") and the Draft Letter of Offer dated November 11, 2022. On the basis of such examination and the discussions with the Company, we hereby state that:

- **The Public Announcement and the Draft Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback;**
 - **All the legal requirements connected with the said offer including the SEBI (Buyback of Securities) Regulations, 2018, as amended, have been duly complied with;**
 - **The disclosures in the Public Announcement and the Draft Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback;**
 - **Funds used for Buyback shall be as per the provisions of the Companies Act, 2013.”**
- 3.3 The filing of the Draft Letter of Offer / Letter of Offer with SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.
- 3.4 Promoters / Directors of the Company declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / mis-representation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement / mis-representation, the Promoters / Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the SEBI Buyback Regulations.
- 3.5 Promoters / Directors also declare and confirm that funds borrowed from banks and / or financial institutions will not be used for the Buyback.
- 3.6 **NO OFFER TO SUBSCRIBE / PURCHASE / SELL, OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL, ANY SECURITIES OF THE COMPANY OR AS A SOLICITATION OR AN INVITATION TO SUBSCRIBE / PURCHASE / SELL ANY SECURITIES OF THE COMPANY INCLUDING THE EQUITY SHARES IS MADE IN A JURISDICTION, OTHER THAN INDIA, WHERE IT IS ILLEGAL, OR ANY ACTION OR APPROVAL IS REQUIRED, TO MAKE THIS BUYBACK.**
- (a) The Public Announcement that was published on November 03, 2022 and this Draft Letter of Offer in connection with this Buyback, has been prepared for the purposes of compliance with the SEBI Buyback Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The Company and the Manager to the Buyback are under no obligation to update the information contained herein at any time after the date of the Letter of Offer. This Draft Letter of Offer does not in any way constitute an offer in any form, or an invitation in any form to subscribe / purchase / sell, any securities of the Company in any jurisdiction or as a solicitation or an invitation in any form to subscribe / purchase / sell any securities including the Equity Shares of the Company.
- (b) No action has been or will be taken by the Company or Manager to the Buyback to permit the Buyback in any jurisdiction where action would be required for that purpose. The Letter of Offer shall be dispatched to all Equity Shareholders whose names appear in the register of members of the Company, as on the Record Date. However, receipt of the Letter of Offer by any Eligible Seller in a jurisdiction in which it would be illegal to make this Buyback, or where making this Buyback would require any action to be taken (including, but not restricted to, registration of the Letter of Offer under any local securities laws of any jurisdiction outside of India), shall not be treated by such Eligible Seller as an offer or invitation to offer being made to them and shall be construed by them as being sent for information purposes only.
- (c) Persons in possession of the Letter of Offer are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Seller who tenders his, her or its Equity Shares in the Buyback shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.
- (d) The Buyback is being made for securities of an Indian company and is subject to the laws of India. It is important for U.S. securities holders to be aware that this Letter of Offer is subject to tender offer laws and regulations in India that are different from those in the U.S. and has been prepared in accordance with Indian law, format and style, which differs from customary U.S. format and style. This Letter of Offer, does not in any way, constitute an offer to sell, or an invitation to sell, or buy any securities in the United States of America, or in any other jurisdiction in which offer or invitation

is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Users of the information contained in this Letter of Offer are requested to inform themselves about and to observe such restrictions.

3.7 **Forward Looking Statement:**

The Letter of Offer contains certain forward-looking statements. These forward-looking statements generally can be identified by words or phrases such as ‘aim’, ‘anticipate’, ‘believe’, ‘expect’, ‘estimate’, ‘intend’, ‘objective’, ‘plan’, ‘project’, ‘will’, ‘will continue’, ‘will pursue’ or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to, inter alia, regulatory changes pertaining to the industries in India in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India which have an impact on its business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

4. **TEXT OF THE RESOLUTION PASSED AT BOARD MEETING HELD ON NOVEMBER 01, 2022**

The Buyback through Tender Offer has been duly authorized by resolutions passed by the Board of Directors of the Company at its meeting held on November 01, 2022. The text of the relevant resolutions passed is given below.

“Resolved That pursuant to the provisions contained in Article 12 of the Articles of Association of the Company and in accordance with the provisions of Sections 68, 69, 70, 179 and all other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (the “**Act**”) and the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (“**SEBI Buyback Regulations**”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR Regulations**”) (including any amendments, statutory modification(s) or re-enactment of the Act or SEBI Buyback Regulations or SEBI LODR Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein referred to as the “**Board**”, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution), the approval of the Board be and is hereby accorded for the buyback of upto **10,00,000 (Ten Lakhs only)** Fully Paid up Equity Shares of face value of **Rs. 2 each** (hereinafter referred to as the “**Equity Share(s)**” or “**Share(s)**”) of the Company at a price of **Rs. 850 (Rupees Eight Hundred and Fifty only)** per Share (“**Buyback Price**”) payable in cash for an aggregate Buyback consideration not exceeding **Rs. 85,00,00,000 (Rupees Eighty Five Crores Only)** (“**Maximum Offer Size**”), which is 8.95% of the paid up share capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company, respectively, for the financial year ended March 31, 2022 through “tender offer” route as prescribed under the SEBI Buyback Regulations (the process being referred herein as “**Buyback**”) from the equity shareholders / beneficial owners of the Equity Shares of the Company.”

“Resolved Further That the Maximum Offer Size shall not include any expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter- alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses.”

“Resolved Further That the proposed Buyback be implemented through Tender Offer route as prescribed under the SEBI Buyback Regulations from the equity shareholders of the Company as on the Record Date including the Promoter and Promoter Group, persons in control (including such person acting in concert) of the Company (as disclosed under the shareholding pattern filings made by the Company from time to

time under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and SEBI (Substantial Acquisition of Shares and Takeover) Regulations 2011, as amended) on such terms and conditions as the Board may decide from time to time, and in the absolute discretion of the Board, as it may deem fit.”

“Resolved Further That the Buyback would be subject to the condition of maintaining minimum public shareholding requirements as specified in Regulation 38 of the SEBI LODR Regulations.”

“Resolved Further That the Buyback shall be implemented using the Mechanism for acquisition of shares through the Stock Exchanges notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and SEBI/HO/CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021, as amended from time to time.”

“Resolved Further That the Board hereby decides **November 18, 2022** as the Record Date (the **“Record Date”**) for the purpose of determining the name of the shareholders who shall be entitled to tender Equity Shares under the Buyback.”

“Resolved Further That such Buyback may be made out of the Company’s current surplus and / or cash balances and / or internal accruals / operating cash inflows and / or free reserves and / or such other sources as may be permitted by law through “Tender Offer” route and as required by the SEBI Buyback Regulations and the Companies Act, 2013; the Company may buyback equity shares from all the existing Members holding equity shares of the Company on a proportionate basis, provided 15% (Fifteen Percent) of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the SEBI Buyback Regulations.”

“Resolved Further That the Buyback from Non-Resident Members holding equity shares of the Company, Overseas Corporate Bodies (OCBs), Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and shareholders of foreign nationality, if any, etc., shall be subject to such approvals if, and to the extent necessary or required from the concerned authorities including approvals from the Reserve Bank of India (RBI) under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder, if any including any amendments, statutory modification or re-enactments for the time being in force.”

“Resolved Further That Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Rahul Dhanuka, Chief Operating Officer, Mr. Harsh Dhanuka, Whole-time Director and Mr. V.K. Bansal, Chief Financial Officer of the Company be and are hereby severally authorized in order to give effect to the aforesaid resolutions, including but not limited to the following:

- i. finalizing the terms of the Buyback like entitlement ratio, the timeframe for completion of Buyback,
- ii. to designate any one Stock Exchange as the designated stock exchange for the purpose of Buyback;
- iii. appointment of Solicitors, Depository Participants, Advertising Agencies and such other Advisors / Consultants / Intermediaries / Agencies, as may be required, for the implementation of the Buyback and to finalize the terms of their appointment;
- iv. Preparation, signing of the Public Announcement, the Draft Letter of Offer/ Letter of Offer, documents, papers, undertaking, affidavits, newspaper advertisement etc., including filing of relevant documents with the Securities and Exchange Board of India (SEBI), the Stock Exchanges (BSE and NSE), the Registrar of Companies and other appropriate authorities;
- v. to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI, RBI under the Foreign Exchange Management Act, 1999 and the rules, regulations framed thereunder;
- vi. to initiate all necessary actions obtaining all necessary certificates and reports from Statutory Auditors and other third parties as required under applicable law,
- vii. to enter into Escrow arrangements as required or desirable in terms of the SEBI Buyback Regulations; issue necessary bank guarantee, opening, operation and closure of all necessary accounts including escrow account, special payment account, Demat Escrow Account as required or desirable in terms of the SEBI Buyback Regulations;
- viii. extinguishment of dematerialized shares and physical destruction of share certificates in respect of the equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board; and
- ix. to accept and make any alteration(s), modification (s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or

doubts that may arise and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback.”

“Resolved Further That the Company do enter into escrow agreement with HDFC Bank Limited for opening of accounts required for the purpose of Buyback in the name *“Dhanuka Agritech Limited - Buyback Escrow Account”* and *“Dhanuka Agritech Limited - Buyback Special Account”* and the said account(s) be operated by the authorized representatives of Sundae Capital Advisors Private Limited as per their Board Resolution and Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Harsh Dhanuka, Whole Time Director of the Company be and are hereby severally authorized to finalize the agreement and to sign such agreement or documents as may be required in this regard.”

“Resolved Further That the Company shall maintain a Register of securities bought back wherein details of Equity Shares bought back, consideration paid for the Equity Shares bought back, date of cancellation of Equity Shares and date of extinguishing and physically destroying the Equity Shares and such other particulars as may be prescribed in relation to the Buy-back shall be entered and that Mr. Jitin Sadana, Company Secretary of the Company be and is hereby authorised to authenticate the entries made in the said Register.”

“Resolved Further That nothing contained herein above shall confer any right on the part of any shareholder to offer and/ or any obligation on the part of the Company or the Board or the Committee to Buyback any shares, and/or impair any power of the Company or the Board or the Committee to terminate any process in relation to such Buyback, if so permissible by law.”

“Resolved Further That in accordance with the provision of Section 68 of the Act, the draft Declaration of Solvency along with annexures thereof, as placed before the Board be and is hereby approved and Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Harsh Dhanuka, Whole-time Director of the Company, be and are hereby jointly authorized to sign the same, and file the same with the Registrar of Companies / Ministry of Corporate Affairs, Stock Exchanges and the SEBI in accordance with applicable law.”

“Resolved Further That drafts of the requisite Auditors’ Certificates, placed before the meeting, be and are hereby noted and that the same be issued by the Statutory Auditors.”

“Resolved Further That the following confirmation be and is hereby made by the Board that it has made the necessary and full enquiry into the affairs and prospects of the Company and has formed the opinion:

- i. that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks;
- ii. that immediately following the date of the Board Meeting held on November 01, 2022, there will be no grounds on which the Company could be found unable to pay its debts;
- iii. that as regards the Company’s prospects for the year immediately following the date of the Board Meeting held on November 01, 2022, having regard to the Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources, which will, in the Board’s view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting approving the Buyback; and
- iv. that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016 (to the extent notified and in force).”

“Resolved Further That the Board hereby confirms that:

- (i) All the Equity Shares for Buyback are fully paid-up;
- (ii) the Company shall not issue any Equity Shares or specified securities including by way of bonus till the date of closure of the Buyback;
- (iii) the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable;
- (iv) the Company shall not raise further capital for a period of one year from the closure of the Buyback, except in discharge of subsisting obligations;

- (v) the Company shall not buyback its Equity Shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in terms of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended from time to time;
- (vi) that the aggregate amount of the Buyback i.e. Rs. 85,00,00,000/- (Rupees Eighty Five Crores Only) does not exceed 10% of the total paid-up Equity Share capital and free reserves of the Company as on March 31, 2022;
- (vii) that the maximum number of Equity Shares proposed to be bought back under the Buyback, i.e. 10,00,000 (Ten Lakhs only) shall not exceed 25% of the total number of Equity Shares in the paid-up Equity Share capital as per the audited balance sheet as on March 31, 2022;
- (viii) there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of any term loans to any financial institution or banks;
- (ix) the Company has been in compliance with Sections 92, 123 and 129 of the Act;
- (x) the Company shall not make any offer of buyback within a period of one year reckoned from the date of closure of the Buyback;
- (xi) there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date; and
- (xii) the ratio of the aggregate of secured and unsecured debts owed by the Company shall not be more than twice the paid-up Equity Share capital and free reserves after the Buyback as prescribed under the Act.”

“**Resolved Further That** BSE Limited is being appointed to act as the designated stock exchange for the purpose of this Buyback and matters connected therewith.”

“**Resolved Further That** M/s. Sundae Capital Advisors Private Limited (the “**Merchant Banker**”) be and is hereby appointed as merchant banker for the purpose of the Buyback in terms of the SEBI Buyback Regulations and Mr. Mahendra Kumar Dhanuka, Managing Director is hereby authorized to finalize the remuneration payable to them and the terms and conditions relating to such appointment, and sign such documents as may be required in this regard.”

“**Resolved Further That** Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Rahul Dhanuka, Chief Operating Officer, Mr. Harsh Dhanuka, Whole-time Director and Mr. V.K. Bansal, Chief Financial Officer of the Company be and are hereby severally authorized to provide deposit of acceptable securities, including units of mutual funds, held by and in the name of the Company with appropriate margin for the purpose of escrow account required in compliance with the SEBI Buyback Regulations and to mark lien in favor of Sundae Capital Advisors Private Limited, Merchant Banker to the Buyback (the “**Merchant Banker**”) and to authorize the Merchant Banker to sell such lien marked securities for the purpose of payment obligation under the Buyback, if required.”

“**Resolved Further That** Eureka Stock & Share Broking Services Limited be and is hereby appointed as the Stock Broker / Buyer Broker for the Buyback of Equity Shares in accordance with the SEBI Buyback Regulations and Mr. Mahendra Kumar Dhanuka, Managing Director of the Company be and is hereby severally authorized to finalize the remuneration payable to them and the terms and conditions relating to such appointment.”

“**Resolved Further That** the Company be and is hereby authorized to open a demat account in the name of “Dhanuka Agritech Limited - Buyback” and trading account with Eureka Stock & Share Broking Services Limited and Mr. Mahendra Kumar Dhanuka, Managing Director and Mr. Harsh Dhanuka, Whole-time Director of the Company be and is hereby severally authorized to sign necessary forms and documents as may be required in this connection.”

“**Resolved Further That** in compliance with the Buyback Regulations, M/s Bigshare Services Private Limited be appointed as the Registrar for the Buyback at such remuneration as mutually agreed with them.”

“**Resolved Further That** Mr. Jitin Sadana, Company Secretary of the Company be and is hereby appointed as Compliance Officer under the SEBI Buyback Regulations who shall co-ordinate the activities for the Buyback with the SEBI, the Merchant Banker, Appointed Broker, Stock Exchanges, shareholders of the Company, Reserve Bank of India and other connected intermediaries and regulatory authorities, if required, and establishment of Investor Service Centre through M/s Bigshare Services Private Limited the Registrar and Share Transfer Agents appointed for this Buyback of the Company.”

“Resolved Further That Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Rahul Dhanuka, Chief Operating Officer, Mr. Harsh Dhanuka, Whole-time Director and Mr. V.K. Bansal, Chief Financial Officer and Mr. Jitin Sadana, Company Secretary of the Company be and are hereby severally authorized to apply with National Depository Securities Limited and / or Central Depository Services (India) Limited for necessary corporate action for extinguishment of equity shares bought back in dematerialized form.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, Mr. Mahendra Kumar Dhanuka, Managing Director, Mr. Rahul Dhanuka, Chief Operating Officer, Mr. Harsh Dhanuka, Whole-time Director and Mr. V.K. Bansal, Chief Financial Officer of the Company be and are hereby severally authorized to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise to file requisite forms, information or documents with the Registrar of Companies, SEBI, Stock Exchanges or any other regulatory authority and generally, to do all acts, deeds, matters and things as it may, in absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback.”

“Resolved Further That a copy of this resolution be submitted to the concerned authorities as and when necessary.”

5. DETAILS OF THE PUBLIC ANNOUNCEMENT

In accordance with the provisions of the Regulation 7(i) of the SEBI Buyback Regulations, the Company has made a Public Announcement dated November 02, 2022 for the Buyback of Equity Shares which was published on November 03, 2022 in all editions of Financial Express and Jansatta (English national daily and Hindi national daily) with wide circulation within two working days from the date of passing of the resolution by the Board, i.e. November 01, 2022, approving the Buyback.

A copy of the Public Announcement will be available on the websites of the Company (www.dhanuka.com), SEBI (www.sebi.gov.in), Stock Exchanges (www.nseindia.com and www.bseindia.com) and Manager to the Offer (www.sundaecapital.com).

6. DETAILS OF THE BUYBACK OFFER

- 6.1 The Board of Directors of the Company, at its meeting held on November 01, 2022 had, subject to the approval of statutory, regulatory or governmental authorities as may be required under applicable laws, approved a buyback of 10,00,000 Equity Shares of the Company for an aggregate amount not exceeding Rs. 85 crores (Rupees Eighty Five crores only) (the **“Buyback Size”**) excluding expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter- alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses (**“Transaction Cost”**) (representing 8.95% of the aggregate of the paid up share capital and free reserves as per the audited standalone and consolidated financial statements respectively as on March 31, 2022) at a price of Rs. 850 (Rupees Eight Hundred Fifty only) (the **“Buyback Price”**) per Equity Share from the existing Members / Shareholders holding equity shares of the Company on a proportionate basis through the “Tender Offer” route as prescribed under the SEBI Buyback Regulations read with SEBI Circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular no. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 (the **“SEBI Circulars”**), as amended and in accordance with the Act & the Rules made thereunder (the **“Buyback”**). The Buyback Size in within the limits as specified under the proviso to Regulation 5(i)(b) of the SEBI Buyback Regulations.
- 6.2 The Buyback shall be undertaken on a proportionate basis from the Shareholders as on November 18, 2022 (the **“Record Date”**) through the Tender Offer route prescribed under Regulation 4(iv)(a) of the SEBI Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, facilitated by tendering of Equity Shares by such Shareholders and settlement of the same, through the stock exchange mechanism as specified by the SEBI Circulars.
- 6.3 In terms of the SEBI Buyback Regulations, under Tender Offer route, the Promoter and the Promoter Group of the Company has the option to participate in the Buyback. In this regard, the Promoters and the Promoter Group entities vide their individual letters dated November 01, 2022 have informed the Company regarding their intention to participate in the Buyback. The extent of their participation in the

Buyback has been detailed in Clause 9.2 of the Letter of Offer.

- 6.4 The Buyback is in accordance with the provisions contained in the Article 12 of the Articles of Association of the Company, Section 68, 69, 70 and 179 and all other applicable provisions, if any of the Companies Act 2013, Companies (Share Capital and Debentures) Rules, 2014 to the extent applicable, the Companies (Management and Administration) Rules, 2014 and the provisions of the SEBI Buyback Regulations to the extent applicable. The Buyback is subject to the approvals, permissions and sanctions of statutory, regulatory or Governmental authorities as may be required under applicable laws from time to time, including but not limited to the approvals of SEBI, NSE and BSE, wherever applicable.
- 6.5 The aggregate Paid-up equity capital and Free Reserves of the Company as on March 31, 2022 was Rs. 950.00 crores (Rupees Nine Hundred Fifty Crores only) based on the audited standalone financial statements and Rs. 950.00 crores (Rupees Nine Hundred Fifty Crores only) based on the audited consolidated financial statements and under the provisions of the Act, the funds deployed for Buyback approved by the Board of Directors, excluding Transaction Costs, will not exceed 10% of the Paid-up equity capital and Free Reserves of the Company under Board approval route. Further, as per the SEBI Buyback Regulations, such amount shall not exceed 10% of the networth of the Company on standalone and consolidated basis, both. Accordingly, the maximum amount that can be utilized in the present Buyback is Rs. 95 Crores (Rupees Ninety Five Crores only). The aggregate amount proposed to be utilised for the Buyback is upto Rs. 85 Crores (Rupees Eighty Five Crores only) excluding expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter- alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, which is within the maximum amount as aforesaid.
- 6.6 Further, under the Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity share capital of the Company in that financial year. Since the Company proposes to Buyback 10,00,000 Equity Shares through this buyback, which represents 2.15% of the total number of equity shares in the total paid up equity share capital of the Company, the same is within the aforesaid 25% limit.
- 6.7 The Buyback Price of Rs. 850 per Equity Share represents (a) a premium of approx. 24.99% and 25.10% over the closing prices on the NSE and BSE respectively on October 25, 2022, being the working day immediately preceding the date on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered; (b) a premium of approx. 27.96% and 28.21% over the volume weighted average price of the Equity Shares on the NSE and BSE respectively during the one month preceding October 25, 2022, being the day on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered; and (c) a premium of approx. 21.50% and 21.16% over the volume weighted average price of the Equity Shares on the NSE and BSE respectively during the three months preceding October 25, 2022, being the day on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.
- 6.8 Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter Group in the Company may increase or decrease from the existing shareholding of the total equity capital and voting rights of the Company. The Promoter Group of the Company are already in control over the Company and therefore such further increase or decrease in voting rights of the Promoter Group will not result in any change in control over the Company.

6.9 Details of shareholding of the Promoter Group of the Company

- 6.9.1 The aggregate shareholding of the Promoters and the Promoter Group of the Company as on September 30, 2022 is as under:

Sr. No.	Name of the Shareholder	No. of Equity shares held	No. of Equity Shares in Demat Form	Percentage of Equity Share Capital
1.	Mr. Mahendra Kumar Dhanuka	28,131	28,131	0.06
2.	Mr. Ram Gopal Agarwal	1,92,642	1,92,642	0.41
3.	Ms. Uma Dhanuka	28,131	28,131	0.06
4.	Ms. Urmila Dhanuka	28,131	28,131	0.06
5.	Mr. Rahul Dhanuka	2,05,250	2,05,250	0.44

Sr. No.	Name of the Shareholder	No. of Equity shares held	No. of Equity Shares in Demat Form	Percentage of Equity Share Capital
6.	Mr. Manish Dhanuka	2,70,681	2,70,681	0.58
7.	Ms. Mamta Dhanuka	8,364	8,364	0.02
8.	Ms. Seema Dhanuka	12,969	12,969	0.03
9.	Mr. Arun Kumar Dhanuka	37,200	37,200	0.08
10.	Mr. Satya Narain Agarwal	1,72,081	1,72,081	0.37
11.	Ms. Pushpa Dhanuka	19	19	0.00
12.	Mr. Harsh Dhanuka	28,131	28,131	0.06
13.	Mr. Mridul Dhanuka	28,131	28,131	0.06
14.	Ms. Madhuri Dhanuka	27,878	27,878	0.06
15.	Ms. Megha Dhanuka	28,131	28,131	0.06
16.	Ms. Akangsha Dhanuka	29,629	29,629	0.06
17.	Mr. Arjun Dhanuka	8,636	8,636	0.02
18.	Mr. Abhishek Dhanuka	83,000	83,000	0.18
19.	Mahendra Kumar Dhanuka HUF	1,77,048	1,77,048	0.38
20.	Satyanarain Agarwal HUF	40,237	40,237	0.09
21.	Gobind Lal Dhanuka HUF	10	10	0.00
22.	Arun Kumar Dhanuka HUF	11	11	0.00
23.	Mridul Dhanuka HUF	52	52	0.00
24.	Ram Gopal Agarwal HUF	52	52	0.00
25.	Golden Overseas Private Limited	26	26	0.00
26.	Pushpa Dhanuka Trust	47,11,382	47,11,382	10.11
27.	Triveni Trust	2,64,58,763	2,64,58,763	56.80
	Total	3,26,04,716	3,26,04,716	70.00

Mr. Rahul Dhanuka, Mr. Mahendra Kumar Dhanuka and Ms. Megha Dhanuka are the directors of Golden Overseas Private Limited.

- 6.9.2 No shares were either purchased or sold by the Promoter and Promoter Group, during the period of 6 months preceding the date of the Board Meeting at which the proposal for Buyback was approved, i.e., November 01, 2022.

7. AUTHORITY FOR THE BUYBACK

The Buyback is being undertaken by the Company in accordance with Article 12 of the Articles of Association of the Company, the provisions of section 68, 69, 70, 179 and other applicable provisions of the Companies Act, the Rules thereunder and the SEBI Buyback Regulations. The Buyback is subject to such other approvals and permissions, as may be required from statutory, regulatory or governmental authorities under applicable law.

The Board at its meeting dated November 01, 2022, passed a resolution approving the Buyback of Equity Shares of the Company. Since the Buyback Size is not more than 10% (ten percent) of the paid-up equity capital and free reserves (including securities premium account) of the Company, the approval of the Equity Shareholders of the Company is not required and the same is passed under the board of directors approval route, as provided under the proviso to Section 68(2)(b) of the Act.

8. NECESSITY OF THE BUYBACK

The Buy Back is being proposed by the Company to return surplus cash to the shareholders of the Company for the following reasons:

- The Buy Back will help the Company to return surplus cash to its members holding Equity Shares broadly in proportion to their shareholding, thereby, enhancing the overall return to shareholders;
- The Buy Back, which is being implemented through the Tender Offer route as prescribed under the Buy Back Regulations, would involve allocation of higher number of shares as per their entitlement or 15% of the number of shares to be bought back, reserved for the Small Shareholders. The Company believes that this reservation for small shareholders would benefit a large number of public shareholders, who would get classified as "Small Shareholder";
- The Buy Back may help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;

- (d) The Buy Back gives an option to the shareholders holding Equity Shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buy Back Offer or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post the Buy Back Offer, without additional investment;
- (e) Optimizes the capital structure

9. MANAGEMENT DISCUSSION AND ANALYSIS AND THE LIKELY IMPACT OF BUYBACK ON THE COMPANY

- 9.1 The Buy Back is not likely to cause any material impact on the profitability / earnings of the Company, except to the extent of reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. However, assuming response to the Buy Back is to the extent of 100% from all the Eligible Shareholders upto their Buy Back Entitlement, the funds deployed by the Company towards the Buy Back would be ₹ 85 Crores (Rupees Eighty Five Crores only) and this will impact the investment income (that could have been earned by the Company), on account of reduced amount of funds available.
- 9.2 Promoter and Promoter Group have expressed their intention to participate in the Buy Back and offer upto an aggregate maximum of 3,26,04,716 Equity Shares, in compliance with the Buy Back Regulations / terms of the Buy Back.
- 9.3 The Buy Back will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations. The Buyback is not likely to cause any material impact on the earnings of the Company except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income. The Buyback will optimize returns to the shareholders and enhance overall shareholders value.
- 9.4 The Buy Back will provide the shareholders an additional exit opportunity at a reasonable price reduction in outstanding number of Equity Shares and the consequent increase in the earning per Equity Share. The Buy Back is expected to contribute to the overall enhancement of shareholder value and result in an increase in the return on equity of the Company.
- 9.5 Pursuant to the proposed Buy Back and depending on the response to the Buy Back, the voting rights of the Promoter(s) and members of Promoter Group in the Company may increase or decrease from the existing shareholding of the total Equity Share capital and voting rights of the Company. The Promoter(s) and members of Promoter Group are already in control over the Company and therefore any further increase in the voting rights of the Promoter(s) and members of Promoter Group will not result in any change in control of the Company or otherwise affect the existing management structure of the Company.
- 9.6 Consequent to the Buyback and based on the number of Shares bought back from the shareholders, the shareholding pattern of the Company would undergo a consequential change. Pursuant to the proposed Buyback and depending on the response to the Buyback, the voting rights of the Promoter Group in the Company may increase or decrease from the existing Shareholding of the total equity capital and voting rights of the Company. Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Shareholders up to their Buyback Entitlement, the aggregate shareholding of the Promoter Group, post the Buyback may increase to [●]% from 70% prior to the Buyback, and the aggregate shareholding of the public in the Company post Buyback may decrease to [●]% from 30% prior to the Buyback.
- The Promoter Group of the Company are already in control over the Company and therefore such further increase or decrease in voting rights of the Promoter Group will not result in any change in control over the Company.
- 9.7 Consequent to the Buy Back and based on the number of Equity Shares bought back from the Eligible Shareholders, being non-resident, Indian financial institutions, banks, mutual funds and the public including other bodies corporate, their shareholding pattern in the Company would undergo a change. The FIIs/ FPIs are advised to ensure that their investment in the Company continue to be within the limit prescribed under applicable laws, post completion of the Buy Back.
- 9.8 The debt-equity ratio post Buy Back will be compliant with the permissible limit of 2:1 prescribed under Section 68 of the Act even if the response to the Buy Back is to the extent of 100% (full Acceptance) of the Buyback Size.

- 9.9 The Buyback will not in any manner impair the ability of the Company to pursue growth opportunities or meet its cash requirements for business operations.
- 9.10 In compliance with Regulation 24(i)(b) of the Buy Back Regulations, the Company shall not issue any Equity Shares or other securities (including by way of bonus) till the date of closure of the Buy Back.
- 9.11 The Company shall not raise further capital for a period of one year from the expiry of the buyback period i.e. the date on which the payment of consideration to shareholders who have accepted the Buy Back is made except in discharge of subsisting obligations in accordance with Regulation 24(i)(f) of the Buy Back Regulations.
- 9.12 The Promoter(s) and members of the Promoter Group of the Company and their associates shall not deal in the Equity Shares of the Company in the stock exchange or off-market including inter-se transfer during the period between the date of passing of the Board Resolution of the Buy Back i.e., Tuesday, November 01, 2022 and the date of the closure of the Buy Back in accordance with the Buy Back Regulations.
- 9.13 Salient financial parameters consequent to the Buyback based on the audited financial statements for the year ended March 31, 2022, of the Company are as under:

(a) Standalone Financial Statements

Ratios	Pre Buyback	Post Buyback
Shareholders Equity (Rs. in crores) ^(a)	960.42	875.42
Return on Networth (%age) ^(b)	21.74	23.85
Earnings Per Share (in Rs.) ^(c)		
- Basic	44.82	45.81
- Diluted	44.82	45.81
Book Value per Share (in Rs.) ^(d)	206.19	192.07
Price / Earnings multiple as per latest audited Financial Statements ^(e)	15.28	14.96
Total Debt / Equity Ratio ^(f)	0.001	0.001

(b) Consolidated Financial Statements

Ratios	Pre Buyback	Post Buyback
Shareholders Equity (Rs. in crores) ^(a)	960.42	875.42
Return on Networth (%age) ^(b)	21.75	23.86
Earnings Per Share (in Rs.) ^(c)		
- Basic	44.85	45.83
- Diluted	44.85	45.83
Book Value per Share (in Rs.) ^(d)	206.19	192.07
Price / Earnings multiple as per latest audited Financial Statements ^(e)	15.27	14.95
Total Debt / Equity Ratio ^(f)	0.001	0.001

Note:

- (a) Shareholders equity is calculated as aggregate value of the paid-up share capital and reserves and surplus as per the audited standalone financial statements as on March 31, 2022
- (b) Return on Net Worth = Profit after tax / Shareholders Equity
- (c) Earnings per Share = Profit after Tax / Average number of shares outstanding for the period.
Earnings per Share post Buyback is computed based on the number of equity shares outstanding after assuming full acceptance
- (d) Book value per Share = Shareholders Equity / Number of shares at the end of the period
- (e) Price / Earnings multiple as per latest Audited Standalone Financial Statements = Market Value per Share / Basic Earnings per Share
Market Value has been taken as Rs. 685.05 (closing price on NSE as of October 27, 2022, being the day on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered, for both pre and post buyback)
- (f) Total Debt / Equity Ratio = Total Debt / Shareholders Equity

- 9.14 In terms of the SEBI Buyback Regulations, under Tender Offer route, the Promoter Group has the option to participate in the Buyback. In this regard, all the Promoters and the Promoter Group entities vide their individual letters dated November 01, 2022 have informed the Company regarding their intention to

participate in the Buyback and offer to tender their pro rata entitlement against the shares held by them as on the Record Date and may also tender such additional number of shares, as they may decide subsequently depending upon publicly available information at the time of such decision making, in compliance with the SEBI Buyback Regulations. However, the Promoter and Promoter Group shall not tender more than 3,26,04,716 Equity Shares under the Buyback, being the total number of Equity Shares held by them.

- 9.15 The details of the date and price of acquisition of the Equity Shares that Promoter & Promoter Group intends to tender are set out below:

Sr. No.	Name	Date of transaction	Nature of Transaction	No. of Equity Shares ⁴	Acquisition Consideration (in Rs.)	Consideration (Cash, other than cash, etc)
1	Mr. Ram Gopal Agarwal	23.05.2007	Scheme of Arrangement ¹	6,889	13,778	Pursuant to Scheme
		02.12.2015	Scheme of Arrangement ²	1,85,753	60,000	Pursuant to Scheme
2	Mr. Manish Dhanuka	23.05.2007	Scheme of Arrangement ¹	2,26,469	3,55,506	Pursuant to Scheme
		02.12.2015	Scheme of Arrangement ²	44,212	10,74,980	Pursuant to Scheme
3	Mr. Rahul Dhanuka	23.05.2007	Scheme of Arrangement ¹	174,291	3,48,582	Pursuant to Scheme
		02.12.2015	Scheme of Arrangement ²	30,959	10,000	Pursuant to Scheme
4	Mr. Arun Kumar Dhanuka	02.12.2015	Scheme of Arrangement ²	37,200	10,01,827	Pursuant to Scheme
5	Ms. Akangsha Dhanuka	02.12.2015	Scheme of Arrangement ²	29,629	9,570	Pursuant to Scheme
6	Mr. Harsh Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
7	Mr. Mahendra Kumar Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
8	Ms. Megha Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
9	Mr. Mridul Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
10	Ms. Uma Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
11	Ms. Urmila Dhanuka	02.12.2015	Scheme of Arrangement ²	28,131	9,087	Pursuant to Scheme
12	Ms. Madhuri Dhanuka	02.12.2015	Scheme of Arrangement ²	27,878	9,005	Pursuant to Scheme
13	Mr. Satya Narayan Agarwal	20.03.1986	Private Placement	831	1,662	Cash
		23.07.1986	Public Issue	10,000	20,000	Cash
		18.05.1993	Rights Issue	11,250	22,500	Cash
		30.06.2021	Gift	1,50,000	NA	Gift
14	Ms. Seema Dhanuka	02.12.2015	Scheme of Arrangement ²	12,969	23,462	Pursuant to Scheme
15	Mr. Arjun Dhanuka	02.12.2015	Scheme of Arrangement ²	8,636	15,623	Pursuant to Scheme
16	Ms. Mamta Dhanuka	02.12.2015	Scheme of Arrangement ²	8,364	15,130	Pursuant to Scheme
17	Ms. Pushpa Dhanuka	02.12.2015	Scheme of Arrangement ²	19	35	Pursuant to Scheme
18	Mr. Abhishek Dhanuka	31.03.1997	Purchase from open market	19,000	52,700	Cash
		15.09.2011	Gift	64,000	NA	Gift

Sr. No.	Name	Date of transaction	Nature of Transaction	No. of Equity Shares ⁴	Acquisition Consideration (in Rs.)	Consideration (Cash, other than cash, etc)
19	Mahendra Kumar Dhanuka HUF	23.05.2007	Scheme of Arrangement ¹	22,192	44,384	Pursuant to Scheme
		02.12.2015	Scheme of Arrangement ²	1,54,856	50,020	Pursuant to Scheme
20	Satya Narain Agarwal HUF	20.03.1986	Private Placement	9,737	19,474	Cash
		23.07.1986	Public Issue	10,000	20,000	Cash
		18.05.1993	Rights Issue	20,500	41,000	Cash
21	Mridul Dhanuka HUF	02.12.2015	Scheme of Arrangement ²	52	17	Pursuant to Scheme
22	Ram Gopal Agarwal HUF	02.12.2015	Scheme of Arrangement ²	52	17	Pursuant to Scheme
23	Arun Kumar Dhanuka HUF	02.12.2015	Scheme of Arrangement ²	11	20	Pursuant to Scheme
24	Gobind Lal Dhanuka HUF	02.12.2015	Scheme of Arrangement ²	10	18	Pursuant to Scheme
25	Golden Overseas Private Limited ³	02.12.2015	Scheme of Arrangement ²	26	8	Pursuant to Scheme
26	Pushpa Dhanuka Trust	02.12.2015	Scheme of Arrangement ²	47,11,382	85,23,034	Pursuant to Scheme
27	Triveni Trust	02.12.2015	Scheme of Arrangement ²	2,64,58,763	85,46,419	Pursuant to Scheme

¹ Pursuant to Scheme of Amalgamation of M/s. Northern Minerals Limited with the Company.

² Pursuant to Comprehensive Scheme of Amalgamation of M/s. A.M. Bros. Fintrade Pvt. Ltd. and M/s. Dhanuka Finvest Pvt. Ltd. with the Company.

³ Mr. Rahul Dhanuka, Mr. Mahendra Kumar Dhanuka and Ms. Megha Dhanuka are the directors of Golden Overseas Private Limited. The shareholding of the said directors in the Company is disclosed above.

⁴ The face value of Equity Shares of the Company was split from Rs. 10 each to Rs. 2 each w.e.f. September 04, 2010. Accordingly, the number of Equity Shares mentioned in the table above, wherein acquisition date is prior to September 04, 2010, have been adjusted to give effect to the said split of face value.

10. BASIS FOR CALCULATING BUYBACK PRICE

- 10.1 The Buy Back Price of Rs. 850 (Rupees Eight Hundred Fifty only) per Equity Share has been arrived at after considering various factors including, but not limited to the trends in the closing prices of the Equity Shares on NSE and BSE, where the Equity Shares are listed, book value of Equity Shares, the net worth of the Company, price earnings ratio, impact on other financial parameters and the possible impact of the Buy Back on the earnings per share.
- 10.2 The Buyback Price of Rs. 850 per Equity Share represents (a) a premium of approx. 24.99% and 25.10% over the closing prices on the NSE and BSE respectively on October 25, 2022, being the working day immediately preceding the date on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered; (b) a premium of approx. 27.96% and 28.21% over the volume weighted average price of the Equity Shares on the NSE and BSE respectively during the one month preceding October 25, 2022, being the day on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered; and (c) a premium of approx. 21.50% and 21.16% over the volume weighted average price of the Equity Shares on the NSE and BSE respectively during the three months preceding October 25, 2022, being the day on which Company intimated the Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for Buyback was considered.
- 10.3 The closing market price of the Equity Shares as October 25, 2022, being the working day immediately preceding the date on which Company intimated Stock Exchanges of the date of meeting of the Board of Directors wherein the proposal for the Buyback was considered was Rs. 680.05 on NSE and Rs. 679.45 on BSE.

- 10.4 The basic and diluted earnings per Equity Share of the Company on standalone and consolidated basis pre Buyback was Rs. 44.82 and Rs. 44.85, respectively, as on March 31, 2022 which is expected to increase to Rs. 45.81 and Rs. 45.83, respectively, (assuming no dilutive equity shares exists), post Buyback assuming full acceptance under the Buyback Offer.
- 10.5 The Return on Networth, on standalone and consolidated basis, of the Company was 21.74% and 21.75%, respectively, as on March 31, 2022 which is expected to increase to 23.85% and 23.86%, respectively, after the Buyback assuming full acceptance under the Buyback Offer.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptance, the funds that would be utilized by the Company for the purpose of the Buyback would be Rs. 85 Crores (Rupees Eighty Five Crores only) (excluding expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter-alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses).
- 11.2 The Buyback shall be made out of the Free Reserves of the Company as at March 31, 2022 based on the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2022. The Company shall transfer a sum equal to the nominal value of the Equity Shares so bought back through the Buyback to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent audited Balance Sheet.
- 11.3 The funds for the Buyback will be sourced from internal accruals of the Company. The Company does not intend to raise any debt for the explicit purposes of the Buyback. Thus, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.
- 11.4 This Buyback is not likely to cause any material impact on the earnings of the Company, except a reduction in the amount available for investment, which the Company could have otherwise deployed towards generating investment income.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 The funds that would be utilized by the Company for the purpose of the Buyback would be Rs. 85 Crores (Rupees Eighty Five Crores only). In accordance with Regulation 9(xi)(b) of the SEBI Buyback Regulations, the Company is required to deposit Rs. 21.25 Crores (Rupees Twenty One Crore Twenty Five Lakhs only) in the Escrow Account.
- 12.2 In accordance with the with Regulation 9(xi) of the SEBI Buyback Regulations, the Company has appointed HDFC Bank Limited as the Escrow Agent for the aforementioned Buyback, and the Company, the Manager to the Buyback and the Escrow Agent have entered into an Escrow Agreement pursuant to which the Escrow Account in the name and style "DAL Buyback 2022-23 Escrow Account" bearing account number [●] has been opened with the Escrow Agent. In accordance with SEBI Buyback Regulations and pursuant to the Escrow Agreement, the Company will deposit, on or before opening of the Offer, a sum of Rs. 85 Lakhs (Rupees Eighty Five Lakhs Only) in cash in the Escrow Account which is equivalent to 1% of the Buyback Size. The Manager has been empowered to operate the Escrow Account in accordance with the SEBI Buyback Regulations.
- 12.3 Further, the Company has also provided acceptable securities with appropriate margin pledged / lien marked in favour of the Manager to the Buyback in accordance with Regulation 9(xi) (c)(iii) of the SEBI Buyback Regulations. The details of the acceptable securities on which lien has been created in favour of the Manager to the Buyback are as under:

12.3.1 Units of closed ended Exchange Traded Funds listed on NSE & BSE

Name of Fund / Scheme	ISIN	No. of units	Face value	Indicative fair Value (as on February 25, 2022)	Pledge marked in favor of Manager to the Offer on
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]
[●]	[●]	[●]	[●]	[●]	[●]

Name of Fund / Scheme	ISIN	No. of units	Face value	Indicative fair Value (as on February 25, 2022)	Pledge marked in favor of Manager to the Offer on
Total →			[●]	[●]	
Less: Margin of 20%				[●]	
Net value considered for the purpose of escrow account obligation				[●]	

The aforesaid units of exchange traded funds / mutual funds and bonds are owned by the Company and have been lien marked exclusively in favour of the Manager to the Buyback with authority to the Manager to the Buyback to redeem the units and realize the value of units in accordance with the SEBI Buyback Regulations. Except the lien marked in favour of the Manager to the Buyback for the purpose of this Buyback, the aforesaid securities are free from any lien or encumbrance(s). Also the lien on units of exchange traded funds / mutual funds has been confirmed by the respective mutual fund or depository in favour of the Manager to the Buyback as mentioned in the abovementioned table.

- 12.4 The aggregate of the market value of securities (i.e. units of exchange traded fund / mutual funds) as aforesaid as on [●], after providing appropriate haircut for margin (i.e. 20%), and the deposit of Rs. 85 Lakhs to be made in the Escrow Account will be equivalent to Rs. [●] Crores, representing [●]% of the Buyback Size, which is in excess of the minimum requirement in terms of Regulation 9(xi)(b)(ii) of the SEBI Buyback Regulations. Further, in the event of any deficit on realisation of the value of the securities, the merchant banker shall be liable to make good any such deficit.
- 12.5 Based on the resolution of the Board passed on November 01, 2022 in this regard and other facts / documents, CA Nitin Jain (Mem. No.: 552947), Chartered Accountant, partner of M/s Manoj Ritu and Associates, having their office at 322, Vardhman Diamond Plaza, Community Centre, Motia Khan, New Delhi - 110 055, have certified, vide their certificate dated November 01, 2022 (UDIN: 22552947BBSVU01913) that the Company has adequate firm and financial resources to meet the financial obligations under buyback offer.
- 12.6 The company will, immediately after the date of closure of this Buyback offer, deposit in a special account such sum as would together with 90% of the amount lying in the Escrow Account make up the entire sum due and payable as consideration for the Buyback. The Company may transfer the funds from the Escrow Account to the special account in accordance with the provisions of Regulation 10(i) of the SEBI Buyback Regulations.
- 12.7 Based on above mentioned certificate, the Manager to the Buyback confirms that it is satisfied that firm arrangements for fulfilling the obligations under the Buyback are in place and that the Company has the ability to implement the Buyback in accordance with the SEBI Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

- (a) As on the date of this Draft Letter of Offer, the Share Capital Structure of the Company is as follows:

Particulars	Amount (Rs. in crores)
Authorised Capital	
142,100,000 Equity Shares of Rs. 2/- each	28.42
5,80,000 Redeemable Non Cumulative Preference shares of Rs. 10/- each	0.58
Total Authorised Share Capital	29.00
Issued Capital	
4,65,78,324 Equity shares of Rs. 2/- each	9.32
Subscribed and Paid Up Capital	
4,65,78,324 Equity shares of Rs. 2/- each	9.32

- (b) Assuming full acceptance in the Buyback, the Share Capital Structure of the Company post Buyback would be as follows:

Particulars	Amount (Rs. in crores)
Authorised Capital	
142,100,000 Equity Shares of Rs. 2/- each	28.42
5,80,000 Redeemable Non Cumulative Preference shares of Rs. 10/- each	0.58
Total Authorised Share Capital	29.00
Issued Capital	
4,55,78,324 Equity shares of Rs. 2/- each	9.12
Subscribed and Paid Up Capital	
4,55,78,324 Equity shares of Rs. 2/- each	9.12

Confirmations

- The Company has not undertaken any Buyback of its Equity Shares in the last one Year from the date of the meeting of the Board in which the proposal for this Buyback was approved by the Board, i.e., November 01, 2022.
- The Company's Equity Shares are fully Paid-up and there are no partly Paid-up Equity Shares with calls-in-arrears.
- The Company will not issue any Equity Shares including by way of bonus, from the date of Public Announcement till the date of closure of this Buyback in accordance with Regulation 24(i)(b) of the SEBI Buyback Regulations.
- Further as on the date, there is no pending scheme of amalgamation or compromise or arrangement pursuant to any provisions of the Act.

(c) The details of the buyback of securities undertaken by the Company in the last three years is as under:

Financial Year ended in which Buyback closed	Date of opening of previous Buyback	Date of closing of previous Buyback	Method of Buyback	No. of shares bought back	Amount utilized
2020-21	October 20, 2020	November 03, 2020	Tender Offer	10,00,000	Rs. 100 cr

The payment to shareholders whose shares were accepted in the previous buyback was made on November 11, 2020. The present buyback has been approved by the Board of Directors of the Company after completion of one year from the date of expiry of buyback period of the previous buyback offer in compliance with the provisions of Regulation 4(vii) of the SEBI Buyback Regulations.

(d) The pre and post Buyback shareholding pattern of the Company is as follows:

Category of Shareholders	Pre Buyback Shareholding Pattern (as on September 30, 2022)		Post Buyback Shareholding Pattern *	
	No. of Shares	% Holding	No. of Shares	% Holding
Promoters Shareholding				
Indian	3,26,04,716	70.00	[●]	[●]
Foreign	-	-	-	-
Sub Total (A)	3,26,04,716	70.00	[●]	[●]
Public Shareholding				
Institutions				
Mutual Funds / UTI	61,71,454	13.25		
Financial Institutions / Banks	-	-		
Insurance Companies	14,89,224	3.20		
Alternative Investment Funds	92,004	0.20		
FII / FPI	18,57,280	3.99		
Others	-	-	[●]	[●]
Non Institutions				
Resident Individuals	34,92,356	7.50		
Bodies Corporate	3,75,956	0.81		
Others	4,95,334	1.06		
Sub Total (B)	1,39,73,608	30.00	[●]	[●]
Grand Total (A)+(B)	4,65,78,324	100.00	4,55,78,324	100.00

* Assuming response to the Buyback Offer to the fullest extent. However, the actual shareholding pattern post Buyback would depend upon the actual number of Equity shares bought back from each such shareholder.

(e) The company has [●] shareholders as on Record date i.e. November 18, 2022.

(f) As per the provisions of the Act and the SEBI Buyback Regulations, the Company will not be allowed to issue fresh Equity Shares for a period of one year or such other period after the completion of the Buyback as may be amended by any statutory modification(s) or re-enactment of the Act or SEBI Buyback Regulations for the time being in force. However, this restriction would not apply to issuance of bonus shares or shares issued in the discharge of subsisting obligations such as conversion of warrants, stock option schemes, sweat equity or conversion of preference shares or debentures into Equity Shares.

- (g) The aggregate shareholding of the Promoters, Promoter Group and Persons who are in control of the Company is 3,26,04,716 Equity Shares of face value Rs. 2/- each representing 70.00% of the existing equity Paid up equity share capital of the Company. Assuming response to the Buyback to the fullest extent, the aggregate shareholding of the Promoters and Promoter Group of the Company, post Buyback will increase to [●]% of the post Buyback equity share capital of the Company.
- (h) The Promoter and Promoter Group has not sold or purchased any equity shares of the Company during the period of 12 months preceding the date of the Public Announcement. Further the Promoter and Promoter Group has not sold or purchased any equity shares of the Company from the date of Public Announcement to the date of the Draft Letter of Offer.

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1 HISTORY OF THE COMPANY

The Company was incorporated under the provisions of the Companies Act, 1956 as ‘Dhanuka Pesticides Limited’, vide certificate of incorporation bearing Registration Number 20126 of 1984-85 dated February 13, 1985 issued by the Registrar of Companies, Delhi & Haryana at New Delhi. The Company obtained the Certificate for Commencement of Business on April 23, 1985 from the Registrar of Companies, Delhi and Haryana at New Delhi. The name of the Company was changed from Dhanuka Pesticides Limited to the present name of Dhanuka Agritech Limited vide fresh certificate of incorporation dated February 09, 2007 issued by the Registrar of Companies, NCT of Delhi & Haryana at New Delhi. The present Corporate Identification Number (CIN) of the Company is L24219DL1985PLC020126. The registered office of the Company is situated at 82, Abhinash Mansion, 1st Floor Joshi Road, Karol Bagh, New Delhi-110 005.

The Equity Shares of the Company are currently listed on NSE & BSE. The ISIN of the Equity Shares is INE435G01025. Details of the listing of the equity shares on the various stock exchanges is set forth below:

Name of the Stock Exchange	Date of listing	Whether continues to be listed	Scrip Code
BSE	September 22, 1986	Yes	507717
NSE	June 29, 2011	Yes	DHANUKA

14.2 OVERVIEW OF THE BUSINESS

The Company is engaged in the business of manufacturing of wide range of agro-chemicals like herbicides, insecticides, fungicides and plant growth regulators in various forms – liquid, dust, powder and granules. The Company has three facilities located at Sanand (Gujarat); Udhampur (Jammu and Kashmir); Keshwana (Rajasthan) and quality control laboratory located at Sanand (Gujarat) and Keshwana (Rajasthan) certified by National Accreditation Board for Testing and Calibration Laboratories. The Company has recently inaugurated its new Research and Development Center in Palwal, Haryana. Further, the Company is also setting up a technical plant at Dahej, Gujarat. The Company manufactures followings products at manufacturing facilities:

Sr. No.	Manufacturing facilities	Products manufactured
1.	Sanand	herbicides, insecticides and fungicides
2.	Keshwana	herbicides, insecticides and fungicides
3.	Udhampur	insecticides and fungicides

Growth of the Business over a period of time:

The total income of the Company, on standalone basis, for the year ended March 31, 2021 was Rs. 1,42,117.14 Lakhs which for the year ended March 31, 2022 increased to Rs. 1,51,136.22 Lakhs registering a growth of 6.35%.

14.3 HISTORY OF THE EQUITY SHARE CAPITAL OF THE COMPANY

The details of changes in the share capital of the Company since incorporation as certified by the Company are as follows:

Date of Allotment	Number of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of consideration	Cumulative Number of Equity Shares	Cumulative Paid-up share capital (Rs.)
13.02.1985	1,900	10	10	Subscription to the Memorandum of Association	1,900	19,000
03.02.1986	3,47,910	10	10	Private Placement	3,49,810	34,98,100
20.03.1986	14,250	10	10	Private Placement	3,64,060	36,40,600
23.07.1986	6,25,940	10	10	Public Issue	9,90,000	99,00,000
18.05.1993	9,90,000	10	10	Rights Issue	19,80,000	1,98,00,000
23.05.2007	71,98,900	10	NA	Pursuant to Scheme of Amalgamation of M/s. Northern Minerals Ltd with the Company	91,78,900	9,17,89,000
04.09.2010	(91,78,900)	10	NA	Sub-division of Equity Shares of the Company from Rs. 10 to Rs. 2 each	4,58,94,500	9,17,89,000
	4,58,94,500	2	NA			
13.09.2010	41,25,000	2	82.20	Preferential Issue	5,00,19,500	10,00,39,000
02.12.2015	3,64,92,240	2	NA	Pursuant to Comprehensive Scheme to Amalgamation of M/s. A.M. Bros. Fintrade Pvt. Ltd. and M/s. Dhanuka Finvest Pvt. Ltd. With M/s. Dhanuka Agritech Limited. Since as per this Scheme, 3,64,92,240 shares is cancelled as cross holding the cumulative number of shares remains the same	5,00,19,500	10,00,39,000
	(3,64,92,240)	2	NA			
27.03.2017*	(9,41,176)	2	NA	Buyback of equity shares	4,90,78,324	9,81,56,648
14.02.2019*	(15,00,000)	2	NA	Buyback of equity shares	4,75,78,324	9,51,56,648
11.11.2020*	(10,00,000)	2	NA	Buyback of equity shares	4,65,78,324	9,31,56,648

* Date of payment to the shareholders under Buyback through tender offer.

14.4 DETAILS OF THE BOARD OF DIRECTORS OF THE COMPANY

a. Details of the Board of Directors of the Company as on the date of the Public Announcement

Name and DIN of the Director	Designation	Qualifications	Date of Appointment / Reappointment	Age (years)	Directorships in Other Companies
Mr. Ram Gopal Agarwal DIN: 00627386 Occupation: Business	Chairman - Executive- Non-Independent	B.Com (Hons)-	March 10, 1992	73	- Orchid Pharma Limited - Orchid Bio-Pharma Limited - H D Realtors Private Limited
Mr. Mahendra Kumar Dhanuka DIN: 00628039 Occupation: Business	Managing Director - Executive- Non-Independent	B.Com (Hons) -	February 13, 1985	68	- Dhanuka Laboratories Limited - Golden Overseas Private Limited - M D Buildtech Private Limited
Mr. Arun Kumar Dhanuka DIN: 00627425 Occupation: Business	Whole time Director	B.Com	May 23, 2007	65	- Dhanuka Laboratories Limited - Orchid Pharma Limited - Orchid Bio-Pharma Limited
Mr. Rahul Dhanuka DIN: 00150140 Occupation: Business	Whole time Director	Master in Business Administration	January 28, 2002	47	- Dhanuka Laboratories Limited - Dhanuka Chemicals Private Limited - Golden Overseas Private Limited - H D Realtors Private Limited - Agrihawk Technologies Private Limited - Croplife India - Sikkim Agro Industries limited - Dhanuka Agri-Solutions Private Limited
Mr. Ashish Saraf DIN: 07767324 Occupation: Service	Whole time Director	B.Com	March 24, 2017	52	- Nil
Mr. Harsh Dhanuka DIN: 00199516 Occupation: Business	Whole time Director	MBA	May 21, 2019	39	- Dhanuka Chemicals Private Limited - Synmedic Laboratories Private Limited - H D Realtors Private Limited

Name and DIN of the Director	Designation	Qualifications	Date of Appointment / Reappointment	Age (years)	Directorships in Other Companies
Mr. Mridul Dhanuka DIN: 00199441 Occupation: Business	Non- Executive Director	B.Tech (Chemical Engineering)- MBA	May 23, 2011	42	- Orchid Pharma Limited - Dhanuka Laboratories Limited - Orbion Pharmaceuticals Private Limited - Dhanuka Chemicals Private Limited - Orchid Bio-Pharma Limited - Dhanuka Agri-Solutions Private Limited - M D Buildtech Private Limited - Sikkim Agro Industries limited
Mr. Priya Brat DIN: 00041859 Occupation: Retired Chief General Manager, SBI	Independent Director	M.Sc (Hons)- Physics; Fellow Diploma (International Finance) Diploma (Banking, Finance and Accountancy)	October 28, 2002	87	- South Asian Enterprises Limited
Mr. Sachin Kumar Bhartiya DIN: 02122147 Occupation: Business	Independent Director	Fellow Chartered Accountant B.Com	February 09, 2016	44	- Stylam Industries Limited - Bikaji Foods International Limited - Indian Herbs Specialities Private Limited - Lighthouse AMC Private Limited - Lighthouse Advisors (India) Private Limited - Ploutus Advisors India Private Limited - Indorama India Private Limited
Mr. Vinod Kumar Jain DIN: 01185937 Occupation: Business	Independent Director	B.Com	March 24, 2005	73	- Nil
Mr. Sanjay Saxena DIN: 01257965 Occupation: Business	Independent Director	Cost and Management Accountant B. Com PG Diploma (Urban Management and Planning with distinction) Institute for Housing and Urban Development Studies (IHS), Diploma in Advance Software Application - Computers Point,	May 22, 2018	56	- Total Synergy Consulting Private Limited
Mr. Bajrang Lal Bajaj DIN: 00041909 Occupation: Business	Independent Director	Fellow Chartered Accountant Fellow Company Secretary Fellow Member of Indian Management Association	May 21, 2019	57	- Om Logistics Limited - Dynamic Orbits Consultants Private Limited
Ms. Namrata Gupta DIN: 08358673 Occupation: Business	Independent Director	M.Com- M.A.-Psychology PGD- (Psychological Counselling) and	May 21, 2019	51	- RKG Laminates Private Limited

Name and DIN of the Director	Designation	Qualifications	Date of Appointment / Reappointment	Age (years)	Directorships in Other Companies
		M. Phil- (Organisational Behaviour)			
Mr. Siraj Azmat Chaudhary DIN: 00161853 Occupation: Business	Independent Director	MBA Graduate	July 22, 2020	55	- Tata Coffee Limited - Tata Consumer Products Limited - Jubilant Ingrevia Limited - Arboreal Bioinnovations Private Limited - Bikaji Foods International Limited - National Commodities Management Services Limited - Carrier Airconditioning & Refrigeration Limited

b. Changes in the Board of Directors of the Company during the last three years immediately preceding the date of the Public Announcement i.e, November 02, 2022 are as follows:

Name of the Director	Appointment / Resignation	Effective Date	Reasons
Ms. Asha Mundra	Resignation	May 20, 2019	Resignation
Mr. Om Prakash Khetan	Resignation	May 20, 2019	Resignation
Mr. Bajrang Lal Bajaj	Appointment	May 21, 2019	Broadbase the Board
Mr. Harsh Dhanuka	Appointment	May 21, 2019	Broadbase the Board
Ms. Namrata Gupta	Appointment	May 21, 2019	Broadbase the Board
Mr. Mridul Dhanuka	Appointment	June 29, 2020	Change in designation from Executive to Non Executive Director
Mr. Indresh Narain	Cessation	May 20, 2020	Ceased to be a Director under section 167(1)(b) of the Act
Mr. Siraj Azmat Chaudhry	Appointment	July 22, 2020	Broadbase the Board

The Buyback will not result in any benefit to any Director of the Company, Promoters and members of the Promoter Group, and persons in control of the Company except to the extent of their participation in the Buyback, including additional shares tendered, and the consequent change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buyback.

15. FINANCIAL INFORMATION ABOUT THE COMPANY

15.1 The salient financial information of the Company as extracted from the audited Financial Statements for the last three financial years ended March 31, 2022, March 31, 2021 and March 31, 2020 are as given below:

(a) Standalone Financial Statements

Particulars	Six months ended September 30, 2022 (unaudited)	(Rs. In Crores)		
		Financial year ended March 31		
		2022 (Audited)	2021 (Audited)	2020 (Audited)
Equity Share Capital	9.32	9.32	9.32	9.52
Reserves and Surplus	NA	951.10	786.99	698.18
Shareholders' Equity	NA	960.42	796.31	707.70
Total Income	957.98	1511.36	1421.17	1145.16
Profit before Depreciation, Interest and Tax	171.35	296.96	302.81	198.56
Interest	1.58	3.20	2.69	1.56
Depreciation	8.05	16.28	15.18	16.36
Profit before Tax	161.72	277.48	284.94	180.64
Tax	39.58	68.70	74.38	39.18
Profit After Tax	122.14	208.78	210.56	141.47

Key Financial Ratios

Particulars	Financial year ended
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	March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Earnings per Share (EPS) - Basic (Rs.)	44.82	44.61	29.73
Earnings per Share (EPS) - Diluted (Rs.)	44.82	44.61	29.73
Book Value Per Share (Rs.)	206.19	170.96	148.74
Return on Networth (%)	21.74%	26.44%	19.99%
Debt Equity Ratio	0.00	0.01	(0.01)

(b) Consolidated Financial Statements

(Rs. In Crores)

Particulars	Six months ended September 30, 2022 (unaudited)	Financial year ended March 31		
		2022 (Audited)	2021 (Audited)	2020 (Audited)
Equity Share Capital	9.32	9.32	9.32	9.52
Reserves and Surplus	NA	951.10	786.87	698.07
Shareholders' Equity	NA	960.42	796.19	707.58
Total Income	957.98	1511.36	1421.17	1145.16
Profit before Depreciation, Interest and Tax	171.35	297.08	302.81	198.44
Interest	1.58	3.20	2.69	1.56
Depreciation	8.05	16.28	15.18	16.36
Profit before Tax	161.72	277.60	284.94	180.53
Tax	39.59	68.70	74.38	39.18
Profit After Tax	122.13	208.89	210.56	141.35

Key Financial Ratios

Particulars	Financial year ended		
	March 31, 2022 (Audited)	March 31, 2021 (Audited)	March 31, 2020 (Audited)
Earnings per Share (EPS) - Basic (Rs.)	44.85	44.61	29.71
Earnings per Share (EPS) - Diluted (Rs.)	44.85	44.61	29.71
Book Value Per Share (Rs.)	206.19	170.94	148.72
Return on Networth (%)	21.75%	26.45%	19.98%
Debt Equity Ratio	0.00	0.01	(0.01)

Note (for Clause 15.1 (a) & (b) above):

(1) Net worth is calculated as aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited financial statements as on March 31, 2021, but does not include reserves created out of revaluation of assets, other comprehensive income, write-back of depreciation and amalgamation.

(2) Book value per Share = Net Worth (excluding Revaluation Reserves and other Comprehensive income) / Number of Shares at the end of the period

(3) Return on Net Worth = Profit After Tax/ Net Worth (excluding revaluation reserves and other Comprehensive income)

(4) Total Debt Equity Ratio = Total Debt / Net Worth (excluding revaluation reserves and other Comprehensive)

- 15.2 The Company shall comply with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with sections 68, 69 and 70 of the Companies Act and the Companies (Share Capital and Debentures) Rules, 2014.

16. STOCK MARKET DATA

- 16.1 The Equity Shares of the Company are currently listed and traded on NSE and BSE under the trading code DHANUKA at NSE and 507717 at BSE.

- 16.2 The closing market price of the Equity Shares as on October 25, 2022, being the working day immediately preceding the date on which Company intimated Stock exchanges of the date of meeting of the Board of Directors wherein the proposal for the Buyback was considered was Rs. 680.05 on NSE and Rs. 679.45 on BSE.

- 16.3 The closing market price of the Equity Shares as on October 31, 2022, being the working day immediately

preceding the date of meeting of the Board of Directors wherein the proposal for the Buyback was considered was Rs. 727.80 on NSE and Rs. 726.75 on BSE.

- 16.4 The high, low, average market price and total volume of Equity Shares traded in the last three Years (January to December periods) and the monthly high, low, average market price and total volume of Equity Shares traded for the six months preceding the month in which Public Announcement given on NSE & BSE are set out below:

16.4.1 NSE

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
October 2022	742.00	28.10.22	2,73,574	645.60	03.10.22	17,781	705.47	5,29,849	3,737.93
September 2022	750.00	02.09.22	22,798	631.20	29.09.22	18,897	704.47	6,46,254	4552.66
August 2022	726.00	19.08.22	34,300	680.00	11.08.22	13,473	703.80	6,73,990	4,743.55
July 2022	710.00	08.07.22	17,568	680.00	27.07.22	7,911	697.98	2,64,475	1,845.98
June 2022	745.65	06.06.22	1,19,007	666.80	22.06.22	12,376	705.43	4,36,289	3078.78
May 2022	771.00	23.05.22	2,23,051	664.00	12.05.22	25,788	714.60	8,37,791	5986.90
Year 2021	1053.90	06.07.21	4,52,290	658.00	31.03.21	55,773	866.11	3,15,19,590	2,72,992.99
Year 2020	935.70	20.07.20	5,97,833	275.00	23.03.20	32,146	701.19	2,42,44,394	1,69,999.81
Year 2019	459.90	01.01.19	52,200	287.10	22.10.19	44,458	366.24	50,40,624	18,460.91

Source: www.nseindia.com

16.4.2 BSE

Period	High			Low			Weighted Average Price	Total Traded Quantity in the Period	Total Traded Value (Rs. Lakhs) in the Period
	Price (Rs.)	Date	No. of shares traded	Price (Rs.)	Date	No. of shares traded			
October 2022	748.00	20.10.22	798	645.55	03.10.22	1,691	703.00	26,692	187.64
September 2022	748.90	05.09.22	8,736	630.65	29.09.22	2,548	708.70	55,252	391.57
August 2022	725.95	19.08.22	1,637	680.80	11.08.22	1,908	700.89	38,944	272.95
July 2022	710.00	08.07.22	2,800	670.00	01.07.22	884	697.14	26,646	185.76
June 2022	735.10	06.06.22	4,285	666.80	22.06.22	366	702.21	57,568	404.25
May 2022	762.95	23.05.22	9,680	667.50	12.05.22	2,177	707.36	70,048	495.49
Year 2021	1,053.15	06.07.21	52,469	668.95	31.03.21	2,047	863.51	25,75,489	22,240
Year 2020	935.00	20.07.20	33,750	261.00	23.03.20	2,202	699.47	19,14,063	13,388
Year 2019	457.05	01.01.19	1,802	288.75	04.12.19	428	378.95	5,31,487	2,014

Source: www.bseindia.com

For the purpose of aforesaid tables:

- Year is a calendar year commencing from January 01 and ending on December 31.
- Weighted Average Price (Total Turnover / Total Traded Quantity) for all trading days during the said period
- High price is the maximum of the daily high prices and Low price is the minimum of the daily low prices of the Equity Shares of our Company for the year, or the month, as the case may be
- In case of two days with the same high / low, the date with higher volume has been considered

17. DETAILS OF STATUTORY APPROVALS

- 17.1 The Buyback Offer is subject to such necessary approvals, as may be required, under the applicable laws from the appropriate authorities including from SEBI, BSE and / or NSE.
- 17.2 Buyback from Non-Resident Shareholders will be subject to approvals, if any, of the appropriate authorities as applicable. Non-Resident Indians (“NRI”) and erstwhile Overseas Corporate Bodies (“OCB”) must obtain all approvals required to tender the Equity Shares held by them in this Buyback (including without limitation the approval from the RBI). It is the obligation of such non-resident shareholders, NRI, OCB shareholders, to obtain such approvals and submit such approvals along with the Tender Form, so as to enable them to tender equity shares in the Buyback and for the Company to purchase such Equity Shares, tendered. The Company will have the right to make payment to the Eligible Shareholder in respect of whom no prior RBI approval is required and not accept Equity Shares from the

Eligible Shareholder in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted. The Company will make due compliances of applicable rules and regulations under FEMA Regulations.

17.3 As on date, there are no other statutory or regulatory approvals required to implement the Buyback, other than that indicated above. If any statutory or regulatory approval becomes applicable subsequently, the Buyback will be subject to such statutory or regulatory approval(s). In the event of any delay in receipt of any statutory / regulatory approvals, changes to the proposed timetable of the Buyback, if any, shall be intimated to the Stock Exchanges.

17.4 The Buyback has been approved by the Board of Directors in their meeting held on November 01, 2022.

18. DETAILS OF REGISTRAR TO THE BUYBACK AND COLLECTION CENTRE

Eligible Shareholders who wish to tender their Equity Shares in the Buyback Offer can either send it by registered post/courier or hand deliver the Tender Form and TRS generated by the Exchange Bidding System along with all the relevant documents to the Registrar to the Buyback, super scribing the envelope as “**Dhanuka Agritech Limited – Buyback 2022-23**”.

In case of query, the shareholders may contact the registrar during working hours i.e. 10 am and 5 pm all working days except Saturday, Sunday and public holidays.

The Company has appointed the following as the Registrar to the Buyback:

Name	Bigshare Services Private Limited
Address	Office No. S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, , Andheri (East), Mumbai - 400 093, Maharashtra, India
Phone	+ 91 22 6263 8200
Fax	+91 22 6263 8299
Contact Person	Mr. Jibu John
SEBI Registration No.	INR000001385

THE TENDER FORM AND OTHER RELEVANT DOCUMENTS SHOULD NOT BE SENT TO THE COMPANY OR TO THE MANAGER TO THE BUYBACK.

ELIGIBLE SHAREHOLDERS ARE ADVISED TO ENSURE THAT THE TENDER FORM, TRS AND OTHER RELEVANT DOCUMENTS ARE COMPLETE IN ALL RESPECTS OTHERWISE THE SAME ARE LIABLE TO BE REJECTED.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

The Company proposes to Buyback up to 10,00,000 Equity Shares, representing 2.15% of the total issued and Paid-up equity capital of the Company, at a price of Rs. 850 per Equity Share payable in cash for an amount aggregating up to Rs. 85 Crores excluding expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, merchant banker fees, stock exchange fee for usage of their platform for Buyback, transaction costs viz. brokerage, applicable taxes inter- alia including tax on distributed income to shareholders, Securities Transaction Tax, Goods and Services Tax, Stamp duty, etc., public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, representing 8.95% of the aggregate of the Paid Up Share Capital and Free Reserves as per the Audited Standalone and Consolidated Financial Statements respectively as on March 31, 2022, from the Eligible Shareholders on a proportionate basis through Tender Offer in accordance with the provisions of the Act, the Rules thereunder and the SEBI Regulations. The Buyback is subject to receipt of any approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, including SEBI and the Stock Exchanges.

The Company expresses no opinion as to whether Eligible Shareholders should participate in the Buyback and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the Buyback.

The aggregate shareholding of the Promoter Group is 3,26,04,716 Equity Shares which represents 70.00% of the existing equity share capital of the Company. In terms of the SEBI Buyback Regulations, under the Tender Offer, the Promoters of the Company have the option to participate in the Buyback. The Promoter

and the Promoter Group entities vide their individual letters dated November 01, 2022 have informed the Company regarding their intention to participate in the Buyback and offer to tender at least such number of Equity Shares which would be equal to the proportionate entitlement of the Promoter Group out of the Equity Shares held by them as on the Record Date under the Buyback. In addition, the Promoter Group may also tender additional number of shares, as Promoter Group may decide subsequently, depending upon the publicly available information at the time of such decision making, in compliance with the SEBI Buyback Regulations. However, the Promoter and Promoter Group shall not tender more than 3,26,04,716 Equity Shares under the Buyback, being the total number of Equity Shares held by them collectively.

Assuming response to Buyback is to the extent of 100% (full acceptance) from all Shareholders up to their Buyback Entitlement, the aggregate Shareholding of the promoters, post Buyback may increase to [●]% from 70.00%.

Record Date and Ratio of Buyback as per the Buyback Entitlement in each Category:

The Board had fixed November 18, 2022 as the Record Date for the purpose of determining the Buyback Entitlement and the names of the Shareholders, who are eligible to participate in the Buyback Offer.

The Equity Shares proposed to be bought back by the Company shall be divided in two categories:

- (i) Reserved category for Small Shareholders (“Reserved Category”); and
- (ii) General Category for other Eligible Shareholders (“General Category”).

As defined in the SEBI Buyback Regulations, a “Small Shareholder” is a Shareholder who holds Equity Shares having market value, on the basis of closing price of shares on the recognized stock exchange in which the highest trading volume in respect of such shares, as on Record Date is not more than Rs. 200,000/- (Rupees Two Lakhs Only).

The closing price as on the Record Date, i.e. November 18, 2022 on [●], being the stock exchange having the highest trading volume, was Rs. [●] per Equity Share, accordingly all Shareholders holding not more than [●] Equity Shares as on the Record Date are classified as ‘Small Shareholders’ for the purpose of the Buyback Offer.

Based on the above definition, there are [●] Small Shareholders with aggregate shareholding of [●] Shares, as on the Record Date, which constitutes [●]% of the outstanding Paid up equity share capital of the Company and [●]% of the number of Equity Shares which are proposed to be bought back under this Buyback.

In compliance with Regulation 6 of the SEBI Buyback Regulations, the reservation for the Small Shareholders, will be [●] Equity Shares (“**Reserved Portion**”) which is higher of:

- i. Fifteen percent of the number of Equity Shares which the Company proposes to Buyback, being 1,50,000 Equity Shares; or
- ii. The number of Equity Shares entitled as per their shareholding as on Record Date, being [●] Equity Shares.

All the outstanding Equity Shares have been used for computing the entitlement of Small Shareholders since the Promoter also intends to offer Equity Shares held by them in the Buyback.

The Reserved Portion for Small Shareholders will be [●] Equity Shares (higher of (i) and (ii) above). Accordingly, General Category for all other Equity Shareholders shall consist of [●] Equity Shares (the “**General Portion**”).

Based on the above, the Buyback Entitlement ratio for both categories is decided as below:

Category of Shareholders	Ratio of Buyback *
Reserved category for Small Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date
General category for all other Eligible Shareholders	[●] Equity Shares for every [●] Equity Shares held on the Record Date

* The above Ratio of Buyback is approximate and providing indicative Buyback Entitlement. Any computation of entitled Equity Shares using the above Ratio of Buyback may provide a slightly different number due to rounding-off. The actual Buyback Entitlement for Reserved category for Small Shareholders is [●]% and General category for all other Eligible Shareholders is [●]%.

Fractional Entitlements

If the Buyback Entitlement under the Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of one Equity Share), then the fractional entitlement shall be ignored for computation of Buyback Entitlement to tender Equity Shares in the Buyback for both categories of Eligible Shareholders.

On account of ignoring the fractional entitlement, those Small Shareholders who hold 10 or less Equity Shares as on Record Date will be dispatched a Tender Form with zero entitlement. Such Small Shareholders are entitled to tender Additional Equity Shares as part of the Buyback and will be given preference in the Acceptance of one Equity Share, if such Small Shareholders have tendered for Additional Equity Shares.

Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders

Subject to the provisions contained in this Draft Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Acceptance of 100% Equity Shares from Small Shareholders in the Reserved Category, who have validly tendered their Equity Shares to the extent of their Buyback Entitlement or the number of Equity Shares tendered by them, whichever is less.
- b) Post the Acceptance as described above, in case there are any Equity Shares left to be bought back from Small Shareholders in Reserved Category, the Small Shareholders who were entitled to tender Zero Equity Shares (on account of ignoring the fractional entitlement) and have tendered Additional Equity Shares as a part of the Buyback shall be given preference and one Equity Share each from the Additional Equity Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the Acceptance as described above, in case, there are Equity Shares left to be bought back in the Reserved category and there are any validly tendered unaccepted Equity Shares in the Reserved Category (“**Reserved Category Additional Shares**”), the Reserved Category Additional Shares shall be accepted in a proportionate manner and the Acceptance shall be made in accordance with the SEBI Buyback Regulations, i.e. valid Acceptance per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Equity Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with the clause above, shall be reduced by one.

Adjustment for fractional results in case of proportionate Acceptance, as described above:

- i. For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. For any Small Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

Basis of Acceptance of Equity Shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Equity Shares tendered in the Buyback by all other Eligible Shareholders in the General Category in the following order of priority:

- a. Acceptance of 100% Equity Shares from other Eligible Shareholders in the General Category who have validly tendered their Equity Shares, to the extent of their Buyback Entitlement, or the number of Equity Shares tendered by them, whichever is less.
- b. Post the Acceptance as described above, in case there are any Equity Shares left to be bought back in the General Category, and there are validly tendered Additional Shares in the General Category (“the **General Category Additional Shares**”), the General Category Additional Shares shall be accepted in proportion of the Additional Equity Shares tendered by them and the Acceptance per shareholder shall be made in accordance with the SEBI Buyback Regulations, i.e. valid Acceptance per shareholder shall be equal to the General Category Additional Equity Shares validly tendered by the Eligible Shareholders divided by the total General Category Additional Equity Shares validly tendered in the General Category and multiplied by the total pending number of Equity Shares remaining to be Accepted in General Category.

Adjustment for fractional results in case of proportionate acceptance as described above:

- i. For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated

- on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

Basis of Acceptance of Equity Shares between Categories

- a) In the event the Equity Shares tendered by the Small Shareholders in accordance with the process set out under the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders*” is less than the Reserved Portion, Additional Equity Shares tendered by the Eligible Shareholders in the General Category over and above their Buyback Entitlement shall, in accordance with the Regulations, be accepted in proportion of the Additional Equity Shares tendered by them i.e. valid acceptances per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the General Category divided by the total Additional Equity Shares validly tendered in the General Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the Reserved Portion.
- b) In the event the Equity Shares tendered by the Eligible Shareholders in the General Category in accordance with the process set out under the section entitled “*Basis of Acceptance of Equity Shares validly tendered in the General Category*” is less than the General Portion, Additional Equity Shares tendered by the Eligible Shareholders in the Reserved Category over and above their Buyback Entitlement shall, in accordance with the Regulations, be Accepted in proportion of the Additional Equity Shares tendered by them i.e. valid Acceptance per shareholder shall be equal to the Additional Equity Shares validly tendered by an Eligible Shareholder in the Reserved Category divided by the total Additional Equity Shares validly tendered in the Reserved Category and multiplied by the Additional Equity Shares that can be accepted due to shortfall in the General Portion.
- c) In case there is any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before Acceptance as mentioned above in this paragraph, out of the Shares left to be bought back in the General Category, provided no Acceptance could take place from such Shareholder in accordance with the section entitled “Basis of Acceptance of Equity Shares validly tendered in the Reserved Category for Small Shareholders”.

Adjustment for fractional results in case of proportionate acceptance as described above:

- i. For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
- ii. For any Eligible Shareholder, if the number of Additional Equity Shares to be accepted, calculated on a proportionate basis is not in the multiple of one and the fractional Acceptance is less than 0.50, then the fraction shall be ignored.

Miscellaneous

For avoidance of doubt, it is clarified that, in accordance with the clauses above:

- (a) **Equity Shares accepted under the Buyback from each Eligible Shareholder, shall be lower of the following:**
- **the number of Equity Shares tendered by the respective Shareholder or**
 - **the number of Equity Shares held by the respective Shareholder, as on the Record Date**
- (b) **Equity Shares tendered by any Shareholder over and above the number of Equity Shares held by such Shareholder as on the Record Date shall not be considered for the purpose of Acceptance.**

In order to ensure that the same Eligible Shareholder with multiple demat accounts/folios do not receive a higher entitlement under the Small Shareholder category, the Equity Shares held by such Eligible Shareholder with a common PAN shall be clubbed together for determining the category (Small Shareholder or General Category) and the Buyback Entitlement. In case of joint shareholding, the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical shall be clubbed together. In case of Eligible Shareholders holding physical shares, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Registrar to the Buyback will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical. The shareholding of institutional investors like mutual funds, insurance companies, foreign institutional investors/foreign portfolio investors etc. with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are held for different schemes/sub-accounts and have a different demat account nomenclature based on information prepared

by the Registrar to the Buyback as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of “clearing members” or “corporate body margin account” or “corporate body - broker” as per the beneficial position data as on Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

Clubbing of Entitlement

- (a) In accordance with Regulation 9(ix) of Buy-back Regulations, in order to ensure that the same Eligible Shareholders with multiple demat accounts / folios do not receive a higher entitlement under the Small Shareholder category, the Company will club together the Equity Shares held by such shareholders with a common PAN for determining the category (Small Shareholder or General Category) and the Buy-back Entitlement. In case of joint shareholding, the Company will club together the Equity Shares held in cases where the sequence of the PANs of the joint shareholders is identical. In case of Eligible Shareholders holding Equity Shares in physical form as on Record Date, where the sequence of PANs is identical and where the PANs of all joint shareholders are not available, the Company will check the sequence of the names of the joint holders and club together the Equity Shares held in such cases where the sequence of the PANs and name of joint shareholders are identical.
- (b) The shareholding of institutional investors like mutual funds, pension funds / trusts, insurance companies etc., with common PAN will not be clubbed together for determining the category and will be considered separately, where these Equity Shares are held for different schemes and have a different demat account nomenclature based on information prepared by the Registrar to the Buy-back as per the shareholder records received from the Depositories. Further, the Equity Shares held under the category of ‘clearing members’ or ‘corporate body margin account’ or ‘corporate body-broker’ as per the beneficial position data as on the Record Date with common PAN are not proposed to be clubbed together for determining their entitlement and will be considered separately, where these Equity Shares are assumed to be held on behalf of clients.

20. PROCEDURE FOR TENDER OFFER AND SETTLEMENT

- 20.1 The Buyback is open to all Eligible Shareholder holding Equity Shares of the Company as on the Record date, i.e. November 18, 2022 in physical form (“Physical Shares”) and the beneficial owners who on the Record Date were holding Equity Shares in the dematerialized form (“Demat Shares”).
- 20.2 The Company proposes to affect the Buyback through Tender Offer, on a proportionate basis. This Draft Letter of Offer, outlining the terms of the Offer as well as the detailed disclosures as specified in the SEBI Buyback Regulations, will be mailed/couriered to Equity Shareholders of the Company whose names appear on the register of members of the Company, or who are beneficial owners of Equity Shares as per the records of Depositories, on the Record Date.

Eligible Shareholders who have registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through electronic means. If Eligible Shareholders wish to obtain a physical copy of the Letter of Offer, they may send a request to the Company or Registrar at the address or email id mentioned at the cover page of this Letter of Offer.

Eligible Shareholders who have not registered their email ids with the Depositories / the Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non-receipt of the Letter of Offer and the Tender Form, please follow the procedure mentioned in Clause 20.29.

- 20.3 The Company will not accept any Equity Shares offered for Buyback where there exists any restraint order of a Court/ any other competent authority for transfer / disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.
- 20.4 The Company shall comply with Regulation 24(v) of the SEBI Buyback Regulations which states that the Company shall not Buyback locked-in Equity Shares and non-transferable Equity Shares till the pendency of the lock-in or till the Equity Shares become transferable.
- 20.5 Eligible Shareholders will have to transfer the Equity Shares from the same demat account in which they were holding the Equity Shares as on the Record Date and in case of multiple demat accounts, Eligible

Shareholders are required to tender the applications separately from each demat account. In case of any changes in the demat account in which the Equity Shares were held as on Record Date, such Eligible Shareholders should provide sufficient proof of the same to the Registrar, and such tendered shares may be accepted subject to appropriate verification and validation by the Registrar.

- 20.6 The Company shall accept all the Equity Shares validly tendered for the Buyback by Eligible Shareholders, on the basis of their Buyback Entitlement as on the Record Date and also Additional Equity Shares if any tendered by Eligible Shareholders will be accepted as per Clause 19 under “Process and Methodology for the Buyback”.
- 20.7 As disclosed in the section entitled “Process and Methodology for the Buyback” on page 25, the Equity Shares proposed to be bought as a part of the Buyback is divided into two categories; (a) Reserved Category for Small Shareholders; and (b) the General Category for other Eligible Shareholder, and the Buyback Entitlement of an Eligible Shareholder in each category shall be calculated accordingly.
- 20.8 After accepting the Equity Shares tendered on the basis of Buyback Entitlement, Equity Shares left to be bought as a part of the Buyback, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered, over and above their Buyback Entitlement, by Eligible Shareholders in that category, and thereafter, from Eligible Shareholders who have tendered over and above their Buyback Entitlement, in any other category.
- 20.9 Shareholders’ participation in Buyback will be voluntary. Shareholders can choose to participate, in part or in full, and get cash in lieu of the Equity Shares accepted under the Buyback or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post Buyback, without additional investment. Shareholders may also tender a part of their Buyback Entitlement. Shareholders also have the option of tendering Additional Shares (over and above their Buyback Entitlement) and participate in the shortfall created due to non-participation of some other Shareholders, if any. Acceptance of any Shares tendered in excess of the Buyback Entitlement by the Shareholder, shall be in terms of procedure outlined in this Letter of Offer.
- 20.10 The Buyback shall be implemented by the Company using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI circular No. CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and CFD/DCR-III/CIR/P/2021/615 dated August 13, 2021 and following the procedure prescribed in the Companies Act and the SEBI Buyback Regulations and as may be determined by the Board and on such terms and conditions as may be permitted by law from time to time.
- 20.11 The Acceptance of the Offer made by the Company is entirely at the discretion of the Shareholders of the Company. The Company does not accept any responsibility for the decision of any Shareholder to either participate or to not participate in the Offer. The Company will not be responsible in any manner for any loss of Share certificate(s) and other documents during transit and the Shareholders are advised to adequately safeguard their interest in this regard.
- 20.12 The maximum tender under the Buy-back by any Eligible Shareholder cannot exceed the number of shares held by the Eligible Shareholder on the Record Date.
- 20.13 For implementation of the Buyback, the Company has appointed Eureka Stock & Share Broking Services Limited as the registered broker to the Company (the “**Company Broker**”) through whom the purchases and settlements in respect of the Buyback would be made by the Company. The details of the Company’s Broker are as follows:



Eureka Stock & Share Broking Services Limited

DN-51, Merlin Infinite
11th Floor
Salt Lake, Sector V
Kolkata - 700 091
Tel: +91 33 6628 0000
Fax: +91 33 2210 5184
Website: www.eurekasec.com

- 20.14 The Company shall request BSE being the designated stock exchange to provide a separate window (**the “Acquisition Window”**) to facilitate placing of sell orders by the Eligible Shareholders who wish to

tender their Equity Shares in the Buyback. The details of the Acquisition Window will be as specified by BSE from time to time. All Eligible Shareholders may place orders in the Acquisition Window, through their respective stock brokers (“Shareholder’s Broker”).

- 20.15 In the event Seller Member(s) are not registered with any of the Stock Exchange(s) or if the Eligible Shareholders do not have any stock broker then that Eligible Shareholders can approach any stock broker registered with the Stock Exchange(s) and can make a bid by using quick unique client code (UCC) facility through that stock broker registered with the Stock Exchanges after submitting the details as may be required by the stock broker to be in compliance with the SEBI Buyback Regulations. In case Eligible Shareholders is not able to bid using quick UCC facility through any other stock broker registered with the Stock Exchange, then the Eligible Shareholders may approach Company's Broker viz. Eureka Stock & Share Broking Services Limited, to bid by using quick UCC facility.
- 20.16 The reporting requirements for Non-Resident Shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended and any other rules, regulations, guidelines for remittance of funds shall be made by the Eligible Shareholder and / or the Seller Member through which the Eligible Shareholder places the bid.
- 20.17 The Eligible Shareholder approaching the Designated Stock Exchange registered stock broker (with whom he does not have an account) may have to submit the requisite documents as may be required. The requirement of documents and procedures may vary from broker to broker.
- 20.18 During the Tendering Period, the order for selling the Equity Shares will be placed in the Acquisition Window by the Eligible Shareholders through their respective Shareholder Broker during normal trading hours of the secondary market. The Shareholder Broker can enter orders for Demat Shares as well as Physical Shares. In the tendering process, the Company’s Broker may also process the orders received from the Eligible Shareholders.
- 20.19 Seller Member(s) can enter orders for Equity Shares in demat form.
- 20.20 Modification / cancellation of orders and multiple bids from a single Eligible Shareholder will be allowed during the tendering period of the Buyback. Multiple bids made by single Shareholder for selling the Equity Shares shall be clubbed and considered as ‘one’ bid for the purposes of Acceptance.
- 20.21 The cumulative quantity tendered shall be made available on the website of BSE at www.bseindia.com throughout the trading session and will be updated at specific intervals during the Tendering Period.
- 20.22 All documents sent by the Eligible Shareholders will be at their own risk. Eligible Shareholders are advised to safeguard adequately their interests in this regard.
- 20.23 **Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**
- Eligible Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
 - The Seller Member would be required to place an order / bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Designated Stock Exchange.
 - The lien shall be marked in demat account of the Eligible Shareholders for the Equity Shares tendered in the Buy-back. The details of Equity Shares marked as lien in the demat account of the Eligible Shareholders shall be provided by Depositories to Clearing Corporation.
 - In case, the demat account of the Eligible Shareholders is held in one depository and clearing member pool and clearing corporation account is held with other depository, the Equity Shares tendered under the Buy-back shall be blocked in the shareholders demat account at the source depository during the tendering period. Inter Depository Tender Offer (“IDT”) instruction shall be initiated by shareholder at source depository to clearing member pool/ clearing corporation account at target depository. Source depository shall block the shareholder’s securities (i.e., transfers from free balance to blocked balance) and sends IDT message to target depository for confirming creation of lien. Details of shares blocked in the shareholders demat account shall be provided by the target Depository to the Clearing Corporation.

- For Custodian Participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the Date of closing of the Offer. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- Upon placing the order, the Seller Member shall provide a transaction registration slip ('TRS') generated by the exchange bidding system to the Eligible Shareholder on whose behalf the order has been placed. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.
- Eligible Shareholders who have tendered their Equity Shares in the Buyback can hand deliver Tender Form duly signed (by all Eligible Shareholders in case shares are in joint names) in same order in which they hold the Equity Shares, along with the TRS generated by the exchange bidding system at the Office of Registrar to the Buyback. TRS will be generated by the respective Seller Member. Eligible Shareholders who cannot hand deliver the Tender Form and other documents at the Office of Registrar to the Buyback, may send the same by registered post/ speed post/ courier, at their own risk, superscribing the envelope as "Dhanuka Agritech Limited - Buyback 2022-23", to the Registrar to the Buyback latest by [●] (by 5 PM), i.e. not later than 2 (two) days from the Buyback Closing Date.
- It is clarified that in case of dematerialized Equity Shares, non-receipt of the completed tender form and other documents, but if the lien is marked successfully in the depository system and a valid bid in the exchange bidding system, the bid for Buyback shall be deemed to have been accepted.
- The Eligible 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 prorated Buyback decided by the Company.

20.24 Procedure to be followed by Shareholders holding Equity Shares in the Physical form:

- All Eligible Shareholders holding the Equity Shares in physical form shall note that in accordance with the proviso to regulation 40(1) of the Listing Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018), read with SEBI's press release dated December 3, 2018, transfers of securities shall not be processed unless the securities are held in the dematerialized form with a depository with effect from April 1, 2019. However, in accordance with the SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020, the Eligible Shareholders holding Equity Shares in the physical form are allowed to tender their Equity Shares in the Buy Back provided that such tendering shall be as per the provisions of the Buy-back Regulations and terms provided in the letter of offer.
- Eligible Shareholders who are holding Equity Shares in physical form and intend to participate in the Buy Back will be required to approach their respective Seller Members along with the complete set of documents for verification procedures to be carried out including the (i) original share certificate(s) (ii) valid share transfer form(s) (i.e., form SH-4) duly filled and signed by the transferors (i.e., by all registered Eligible Shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company (iii) self-attested copy of the Eligible Shareholder's PAN Card (iv) the Tender Form duly signed (in case the Equity Shares are in joint names, the Tender Form must be signed by all Eligible Shareholders in the same order in which they hold the Equity Shares) and (v) any other relevant documents such as power of attorney, corporate authorization (including board resolution/ specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of an Eligible Shareholder has undergone a change from the address registered in the Register of Members of the Company, such Eligible Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity Card or Passport.
- Based on the documents as mentioned in paragraph above, the concerned Seller Member shall place the bid on behalf of Public Shareholders holding Equity Shares in physical form using the Acquisition Window of the Stock Exchanges. Upon placing the bid, the Seller Member shall provide a TRS generated by the exchange bidding system to the Public Shareholder. The TRS will contain the details of order submitted like folio number, Equity Share certificate number, distinctive number, number of Equity Shares tendered, etc.
- Public Shareholders shall also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of the Tender Form to be sent. Such documents may include (but not be limited to):

- (a) Duly attested power of attorney, if any person other than Public Shareholder has signed Tender Form;
 - (b) Duly attested death certificate and succession certificate/ legal heirship certificate, in case any Public Shareholder has expired; and
 - (c) In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).
- The Seller Member / Public Shareholder is required to **deliver the original Equity Share certificate(s) and documents (as mentioned above) along with TRS either by registered post / speed post or courier or hand delivery to Registrar to the Offer within 2 (two) days of bidding by Seller Member. The envelope should be super scribed as “Dhanuka Agritech Limited - Buyback 2022-23”**. One copy of the TRS will be retained by Registrar to the Offer and it will provide acknowledgement of the same to the Seller Member / Public Shareholder.
 - Public Shareholders holding physical Equity Shares should note that physical Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for acquisition under the Offer shall be subject to verification as per the SEBI Buyback Regulations and any further directions issued in this regard. The Registrar to the Offer will verify such bids based on the documents submitted on a daily basis and till such time BSE shall display such bids as ‘unconfirmed physical bids’. Once the Registrar to the Offer confirms the bids it will be treated as ‘Confirmed Bids’.
 - All documents as mentioned above, shall be enclosed with the valid Tender Form, otherwise the Equity Shares tendered will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others: (i) there a name mismatch in the Folio of the Public Shareholder; or (ii) there exists any restraint order of a court/any other competent authority for transfer/disposal/ sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists; or (iii) The documents mentioned in the Tender Form for Public Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours of [●] (by 5 p.m.); or (iv) If there is any other company share certificate enclosed with the Tender Form instead of the share certificate of the Company; or (v) If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Public Shareholders; or (vi) If the Public Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or (vii) In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with Company or Registrar.
 - In case any person who has submitted the Equity Shares held by them in the physical form for dematerialisation should ensure that the process of getting the Equity Shares dematerialised is completed before such Eligible Shareholders tender their Equity Shares in the Buy-back, so that they can participate in the Buy-back.
 - An unregistered shareholder holding Physical Shares may also tender his Equity Shares for Buy-back by submitting the duly executed transfer deed for transfer of shares, purchased prior to Record Date, in his name, along with the offer form, copy of his PAN card and of the person from whom he has purchased shares and other relevant documents as required for transfer, if any.

20.25 Modification/ cancellation of orders will be allowed during the tendering period of the Buy-back. Multiple bids made by a single Eligible Shareholder shall be clubbed and considered as “one” bid for the purpose of acceptance.

20.26 The website of the BSE shall display only confirmed bids and accordingly, the cumulative quantity tendered shall be made available on the website of the BSE (i.e. www.bseindia.com) throughout the trading sessions and will be updated at specific intervals during the tendering period.

20.27 Method of Settlement

- a. Upon finalization of the basis of Acceptance as per SEBI Buyback Regulations, the settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market and as intimated by Clearing Corporation from time to time.
- b. Details in respect of shareholder’s entitlement for the Buy-back shall be provided to NCL by Company / Registrar to Buy-back. On receipt of the same, the NCL will cancel excess or unaccepted blocked Equity Shares. On settlement date, all blocked Equity Shares mentioned in the accepted bid will be transferred to Clearing Corporation.
- c. In the case of IDT, Clearing Corporation will cancel the excess or unaccepted Equity Shares in target depository. Source depository will not be able to release the lien without a release of IDT message from

target depository. Further, release of IDT message shall be sent by target depository either based on cancellation request received from Clearing Corporation or automatically generated after matching with Bid accepted detail as received from the Company or the Registrar to the Buy-back. Post receiving the IDT message from target depository, source depository will cancel/release excess or unaccepted block Equity Shares in the demat account of the shareholder. Post completion of tendering period and receiving the requisite details viz., demat account details and accepted bid quantity, source depository shall debit the Equity Shares as per the communication/message received from target depository to the extent of accepted bid Equity Shares from shareholder's demat account and credit it to Clearing Corporation settlement account in target depository on settlement date.

- d. The Company will transfer the consideration pertaining to the Buy-back to Clearing Corporation's bank account through the Company's Broker as per the secondary market mechanism, as per the prescribed schedule. For demat Equity Shares accepted under the Buy-back, Clearing Corporation will make direct funds pay-out to the respective Eligible Shareholders. If bank account details of any Eligible Shareholder holding Equity Shares in dematerialized form are not available or if the fund transfer instruction is rejected by the Reserve Bank of India or relevant Bank, due to any reasons, then the amount payable to the Eligible Shareholders will be transferred to the concerned Seller Member for onward transfer to such Eligible Shareholder holding Equity Shares in dematerialized form.
- e. 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 Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. For this purpose, the client type details would be collected from the Depositories, whereas funds payout pertaining to the bids settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Designated Stock Exchange and Clearing Corporation from time to time.
- f. For the Eligible Shareholders holding Equity Shares in physical form, the funds pay-out would be given to their respective Seller Member's settlement accounts for releasing the same to the respective Eligible Shareholder's account. On settlement date, all blocked Equity Shares mentioned in accepted bid shall be transferred to Clearing Corporation.
- g. The Equity Shares bought back in the dematerialized form would be transferred directly to the escrow demat account of the Company ("**Company Demat Escrow Account**") provided it is indicated by the Company's Brokers or it will be transferred by the Company's Broker to the Company Demat Escrow Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Designated Stock Exchange.
- h. Excess Equity Shares or unaccepted Equity Shares, in dematerialised form, if any, tendered by the Eligible Shareholders would be transferred by Clearing Corporation directly to the respective Eligible Shareholder's DP account. If the securities transfer instruction is rejected in the Depository system, due to any issue then such securities will be transferred to the Seller Member's depository pool account for onward transfer to the respective Eligible Shareholder. The shareholders of the demat Equity Shares will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of demat Equity Shares, due to rejection or due to non-acceptance in the Buy-back Offer.
- i. Any excess Equity Shares, in physical form, pursuant to proportionate acceptance / rejection will be returned back to the Eligible Shareholders directly by the Registrar. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Shareholders holding Equity Shares in the physical form.
- j. The Seller Member would issue contract note for the Equity Shares accepted under the Buy-back and will unblock the excess unaccepted Equity Shares. The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buy-back.
- k. Equity Shareholders who intend to participate in the Buy-back should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member for tendering Equity Shares in the Buy-back (secondary market transaction). Therefore, the Buy-back consideration received by the selling Eligible Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage). The Manager to the Buy-back Offer and the Company accept no responsibility to

bear or pay any additional cost, applicable taxes, charges and expenses (including brokerage) levied by the Seller Member, and such costs will be borne solely by the Eligible Shareholders.

1. The Equity Shares lying to the credit of the Company Demat Escrow Account and the Equity Shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buy-back Regulations.

ELIGIBLE SHAREHOLDERS WHO HAVE DEMATERIALIZED THEIR PHYSICAL EQUITY SHARES POST RECORD DATE AND TENDERED THEIR DEMAT EQUITY SHARES IN THE BUY-BACK MAY DELIVER THE TENDER FORM DULY SIGNED (BY ALL ELIGIBLE SHAREHOLDERS IN CASE SHARES ARE IN JOINT NAMES) IN THE SAME ORDER IN WHICH THEY HOLD THE EQUITY SHARES, ALONG WITH TRS GENERATED BY THE STOCK EXCHANGE BIDDING SYSTEM UPON PLACING OF A BID, EITHER BY REGISTERED POST, SPEED POST OR COURIER OR HAND DELIVERY TO THE REGISTRAR TO THE BUY-BACK AT THE ABOVE ADDRESS, SO THAT THE SAME ARE RECEIVED NOT LATER THAN [●], [●] BY 5:00 P.M. THE ENVELOPE SHOULD BE SUPERSCRIBED AS “DHANUKA AGRITECH LIMITED - BUYBACK 2022-23”.

20.28 For Equity Shares held by Eligible Shareholders, being Non-Resident Shareholders of Equity Shares:

- (i) Eligible Shareholders, being Non-Resident Shareholders of Equity Shares (excluding FPIs) shall also enclose a copy of the permission received by them from RBI, if applicable, to acquire the Equity Shares held by them.
- (ii) FII / FPI Shareholder should enclose a copy of their SEBI registration certificate
- (iii) In case the Equity Shares are held on repatriation basis, the Eligible Shareholders who are Non-Resident Shareholders shall obtain and enclose a letter from its authorized dealer / bank / Company confirming that at the time of acquiring the Equity Shares, payment for the same was made by such non-resident Eligible Shareholder from the appropriate account (e.g., NRE a/c.) as specified by RBI in its approval. In case the Eligible Shareholders who are Non-Resident Shareholders is not in a position to produce the said certificate, the Equity Shares would be deemed to have been acquired on non-repatriation basis and in that case the Non-Resident Eligible Shareholder shall submit a consent letter addressed to the Company allowing the Company to make the payment on a non-repatriation basis in respect of the valid Equity Shares accepted under the Buy-back. In the event, such consent letter is not submitted by such non-resident Eligible Shareholder, the Company shall have the right to reject the Equity Shares tendered in the Buyback and acceptance of such Equity Shares shall be at the sole discretion of the Company subject to such conditions as the Company may deem fit including making payment for the same on a non-repatriation basis.
- (iv) If any of the above stated documents (as applicable) are not enclosed along with the Tender Form, the Equity Shares tendered under the Buy-back are liable to be rejected.

Any Eligible Shareholder who tenders his / her / its Equity Shares in the Offer shall be deemed to have declared, represented, warranted and agreed that he / she / it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the Buyback.

20.29 **In case of non-receipt of the Letter of Offer and the Tender Form:**

In case the Equity Shares are in dematerialised form: An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e., www.dhanuka.com or the website of the Registrar i.e. www.bigshareonline.com or by providing their application in writing on plain paper to the Registrar, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name), stating name and address of Eligible Shareholders, number of Equity Shares held as on the Record Date, Client ID number, DP Name / ID, beneficiary account number and number of Equity Shares tendered for the Buy-back. If any Eligible Shareholder who has been sent the Letter of Offer through electronic means wishes to obtain a physical copy of the Letter of Offer, they may send a request in writing to the Company or Registrar at the address or email ID mentioned at the cover page of the Letter of Offer stating name, address, number of Equity Shares held on Record Date, client ID number, DP name / ID, beneficiary account number. Upon receipt of such request, a physical copy of the Letter of Offer shall be provided to such Eligible Shareholder.

In case the Equity Shares are in physical form: An Eligible Shareholder may participate in the Buyback by downloading the Tender Form from the website of the Company i.e., www.dhanuka.com or the website of the Registrar i.e. www.bigshareonline.com or by providing their application in writing on plain paper to the Registrar, signed by Eligible Shareholder or all Eligible Shareholders (in case Equity Shares are in joint name) stating name, address, folio number, number of Equity Shares held, share certificate number, number of Equity Shares tendered for the Buyback and the distinctive numbers thereof, bank account details together with the original share certificate(s), copy of Eligible Shareholders PAN card(s) and executed Form SH-4 in favour of the Company. The transfer Form (SH-4) can be downloaded from the website of the Company i.e., www.dhanuka.com or the website of the Registrar i.e. www.bigshareonline.com. Eligible Shareholders must ensure that the Tender Form, along with the TRS and requisite documents (as mentioned in paragraph 20.20 above), reach the Registrar on or before the Buyback Closing Date (by 5:00 p.m.). If the signature(s) of the Eligible Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar / Company or are not in the same order (although attested), the Company / Registrar shall have a right to reject such applications.

Please note that Eligible Shareholders who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member in the electronic platform to be made available by BSE before the Buyback Closing Date.

The Company shall accept Equity Shares validly tendered by the Equity Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Shareholder(s) who intend to participate in the Buyback using the “plain paper” option as mentioned in this paragraph is advised to confirm their Buyback Entitlement from the Registrar to the Buyback, before participating in the Buyback.

In case any Eligible Shareholder initiates dematerialization of shares after Record Date/receipt of this Letter of Offer, such Eligible Shareholders should ensure that the process of getting the Equity Shares dematerialized is completed well in time so that they can participate in the Buy-back before Buy-back Closing Date.

20.30 **Rejection Criteria:**

The Equity Shares tendered by Eligible Shareholders holding shares in demat form would be liable to be rejected on the following grounds:

- a. the Shareholder is not an Eligible Shareholder of the Company as on the Record Date; or
- b. in the event of non-receipt of the completed Tender Form and other documents from the Eligible Shareholders who were holding Physical Shares as on the Record Date and have placed their bid in demat form;
- c. if there is a name mismatch in the dematerialised account of the Shareholder and PAN; or
- d. where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

The Equity Shares tendered by Eligible Shareholders holding Physical Shares would be liable to be rejected on the following grounds:

- a. The documents mentioned in the Tender Form for Eligible Shareholders holding Equity Shares in physical form are not received by the Registrar on or before the close of business hours on [●], [●]; or
- b. If the share certificate is not enclosed with the Tender Form; or
- c. If there is any other company’s share certificate enclosed with the Tender Form instead of the share certificate of the Company; or
- d. If the transmission of Equity Shares is not completed, and the Equity Shares are not in the name of the Eligible Shareholders; or
- e. If the Eligible Shareholders bid the Equity Shares but the Registrar does not receive the physical Equity Share certificate; or
- f. In the event the signature in the Tender Form and Form SH-4 do not match as per the specimen signature recorded with the Company or the Registrar; or
- g. Where there exists any restraint order of a Court/any other competent authority for transfer/disposal/sale or where loss of share certificates has been notified to the Company or where the title to the Equity Shares is under dispute or otherwise not clear or where any other restraint subsists.

21. **NOTE ON TAXATION**

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE TAX LAWS OF INDIA AND THE REGULATIONS THEREUNDER, THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, WHICH ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT TAX IMPLICATIONS ON THESE TAX CONSIDERATIONS.

IN VIEW OF THE PARTICULARIZED NATURE OF TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS TAX SUMMARY AND THERE CAN BE NO LIABILITY ON THE COMPANY IF ANY ACTION IS TAKEN BY THE SHAREHOLDER SOLELY BASED ON THIS TAX SUMMARY. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME TAX IN THE CASE OF BUYBACK OF EQUITY SHARES LISTED ON THE STOCK EXCHANGE SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

I. GENERAL

The Indian tax year runs from 1st April to 31st March. The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. A person who is a tax resident of India is liable to taxation in India on his worldwide income, subject to certain prescribed tax exemptions provided under the Income Tax Act, 1961 (“ITA”).

A person who is treated as a non-resident for Indian tax purposes is generally liable to tax in India only on his / her Indian sourced income or income received by such person in India. In case of shares of a company, the source of income from shares would depend on the ‘situs’ of the shares. As per judicial precedents, generally the “situs” of the shares is where company is “incorporated” and where its shares can be transferred. Accordingly, since the Company is incorporated in India, the shares of the Company would be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the ITA subject to any specific exemption in this regard. Further, the non-resident can avail the beneficial tax treatment prescribed under the relevant Double Taxation Avoidance Agreement (“DTAA”) subject to satisfaction of the relevant conditions including non-applicability of General Anti-Avoidance Rule (“GAAR”) and providing and maintaining necessary information and documents as prescribed under the ITA.

The summary tax implications on buy-back of equity shares listed on the stock exchange in India is set out below. All references to equity shares in this note refer to equity shares listed on the stock exchange in India unless stated otherwise.

INCOME TAX PROVISIONS IN RESPECT OF BUY-BACK OF SHARES LISTED ON THE RECOGNISED STOCK EXCHANGE

- a. Section 115QA of the Act provides for the levy of additional Income-tax at the rate of twenty per cent (excluding surcharge and Health and Education cess, as applicable) on any amount of distributed income by the company on buy-back of shares from a shareholder. Distributed Income is defined under section 115QA to include consideration paid by the company on buy-back of shares as reduced by the amount which was received by the company on issue of such shares, determined in the manner specified in Rule 40BB.
- b. The tax on the distributed income by the company shall be treated as the final payment of tax in respect of the said income and no further credit therefor shall be claimed by the company or by any other person in respect of the amount of tax so paid.
- c. No deduction under any other provision of this Act shall be allowed to the company or a shareholder in respect of the income which has been charged to tax.

- d. Pursuant to Section 10(34A) of the Income Tax Act, any income arising in the hands of shareholders on account of buy-back of shares by the as referred to in section 115QA has been exempted from tax.
- e. The consequential income will be exempted in the hands of the shareholder irrespective of the class/residential status of the shareholder and purpose for which shares are held (i.e., as “Investments” or “Stock in Trade”) under sub-clause (34A) of Section 10 of ITA. In case of Non-resident Shareholders, the same may be subject to tax in the country of residence of the shareholder as per the provisions of the tax laws of that country. The credit of tax may or may not be allowed to such non-resident shareholder to be claimed in the country of residence in respect of the Buy-back tax paid by the company in view of Sec 115QA (4) and (5) of the ITA. Non- resident shareholders need to consult their tax advisors with regard to availability of such a tax credit.

II. TAX DEDUCTION AT SOURCE

The consequential income arising in the hands of shareholder will be exempted by virtue of sub clause (34A) of Section 10 of the ITA. Therefore, no TDS / WHT will be deductible on the said income.

The above note on taxation sets out the provisions of law in a summary manner only and does not purport to be a complete analysis or listing of all potential tax consequences of the disposal of equity shares. This note is neither binding on any regulators nor can there be any assurance that they will not take a position contrary to the comments mentioned herein.

22. DECLARATION BY THE BOARD OF DIRECTORS

Declaration as required under clauses (ix) and clause (x) of Schedule I to the SEBI Buyback Regulations. The Board of Directors made the below mentioned declaration as on the date of passing the board resolution approving the Buyback i.e. November 01, 2022:

- (i) that there are no defaults subsisting in repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks
- (ii) that immediately following the date of the Board Meeting held on November 01, 2022, there will be no grounds on which the Company could be found unable to pay its debts;
- (iii) that as regards the Company’s prospects for the year immediately following the date of the Board Meeting held on November 01, 2022, having regard to the Board’s intentions with respect to the management of the Company’s business during that year and to the amount and character of the financial resources, which will, in the Board’s view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting approving the Buyback; and
- (iv) that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code 2016 (to the extent notified and in force).

This declaration is made and issued under the authority of the Board of Directors in terms of the resolution passed at the meeting held on November 01, 2022.

For and on behalf of the Board of Directors of Company

Sd/-

Name: Mahendra Kumar Dhanuka

Managing Director

DIN: 00628039

Sd/-

Name: Harsh Dhanuka

Whole time Director

DIN: 00199516

23. REPORT BY THE COMPANY’S STATUTORY AUDITOR ON PERMISSIBLE CAPITAL PAYMENT

The text of the Report addressed by the Statutory Auditor dated November 01, 2022 received from M/s S.S. Kothari Mehta & Company, Chartered Accountants, Statutory Auditors of the Company and the Statement of computation of permissible capital payments for the proposed Buy-back of Equity Shares of the Company, addressed to the Board of Directors of the Company is reproduced below.

Quote

**The Board of Directors
Dhanuka Agritech Limited
82, Abhinash Mansion,
1st Floor Joshi Road,
Karol Bagh
New Delhi - 110005**

Dear Sirs / Madam

Subject: Statutory Auditor's report in respect of proposed buy back of equity shares by Dhanuka Agritech Limited as per Clause (xi) of Schedule I to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended

1. This Report is issued in accordance with the terms of our engagement letter dated October 28, 2022 with Dhanuka Agritech Limited (hereinafter the "Company").
2. The management of the Company has prepared the accompanying Annexure A - Statement of permissible capital payment as on March 31, 2022 ('the Statement') pursuant to the proposed buy-back of equity shares approved by the Board of Directors of the Company ("Board of Directors") at their meeting held on November 1, 2022 in accordance with the provisions of sections 68, 69 and 70 of the Act and the SEBI Buyback Regulations. The Statement contains the computation of amount of permissible capital payment towards buy-back of equity shares in accordance with the requirements of section 68(2) of the Act, Regulation 4(i) & 5(i)(b) of the SEBI Buyback Regulations and based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2022. We have initialed the Statement for identification purposes only.

Board of Directors Responsibility for the Statement

3. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The Board of Directors are responsible to make a full inquiry into the affairs of the Company and public announcement, letter of offer, post offer public advertisement, addendum and corrigendum, if any issued to shareholders of the Company ("Offer Document") and to form an opinion that the Company will not be rendered insolvent within a period of one year from the date of meeting of the Board of Directors approving the buy back i.e. November 01, 2022, (hereinafter referred as the "Date of the Board Meeting") and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Act or the Insolvency and Bankruptcy Code, 2016.

Auditors' Responsibility

5. Pursuant to the requirements of the Buy Back Regulations, it is our responsibility to provide reasonable assurance that:
 - i. Whether we have inquired into the state of affairs of the Company;
 - ii. Whether the amount of capital payment for the buyback is within the permissible limit and computed in accordance with the provisions of Section 68 of the Act and Regulation 4(i) of the Buy Back Regulations;
 - iii. Whether the Board of Directors have formed the opinion, as specified in Clause (x) of Schedule I to the Buy Back Regulations, on a reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the Date of Board Meeting approving the buy back;
 - iv. Whether we are aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the declaration is unreasonable in circumstances as at the date of declaration.
6. We have also been informed that proposed buy back of shares is through the tender offer and approved by Board of Directors in its meeting held on 1st November 2022.

7. The standalone and consolidated financial statements (hereinafter referred as “Financial Statements”) as at and for the year ended March 31, 2022 have been audited by us, on which we issued an unmodified audit opinion vide our report dated May 23, 2022. Our audits of these financial statements were conducted in accordance with the Standards on Auditing, as specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India (“ICAI”). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting criteria mention in paragraph 5 above. The procedures selected depend on the auditor’s judgement, including the assessment of the risks associated with the Reporting Criteria. We have performed the following procedures in relation to the Statement:
 - i. We have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended March 31, 2022;
 - ii. Examined authorization for buyback from the Articles of Association of the Company;
 - iii. Examined that the amount of capital payment for the buy-back as detailed in Annexure A is within permissible limit computed in accordance with section 68 of the Act and Regulation 4(i) of the Buy Back Regulations;
 - iv. Examined that the ratio of debt owned by the Company, if any, is not more than twice the capital and its free reserve after such buy-back;
 - v. Examined that all shares for buy-back are fully paid-up;
 - vi. Examined resolutions passed in the meetings of the Board of Directors;
 - vii. Examined Director’s declarations for the purpose of buy back and solvency of the Company;
 - viii. Obtained necessary representations from the management of the Company.

Opinion

11. Based on enquiries and our examination as above, we report that:
 - a) we have enquired in to the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended March 31, 2022 which have been approved by the Board of Directors of the Company on May 23, 2022;
 - b) the amount of the permissible capital payment towards the proposed buy-back of equity shares as computed in the accompanying Statement, has been properly determined in accordance with the requirements of section 68(2) of the Act and Regulation 4(i) of the Buyback Regulations. The amounts of share capital and free reserves have been extracted from the audited standalone financial statements and audited consolidated financial statements as at and for the year ended March 31, 2022;
 - c) the Board of Directors, in their meeting held on November 01, 2022, have formed the opinion, as specified in clause (x) of Schedule I of the Buy Back Regulations, on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the Date of the passing the resolution in the board meeting held on November 01, 2022; and
 - d) we are not aware of anything to indicate that the opinion expressed by the Directors in the declaration as to any of the matters mentioned in the said declaration is unreasonable in circumstances as at the date of the declaration.

Restriction on Use

12. This report is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and to include this report, pursuant to the requirements of the SEBI Buy-back Regulations (a) public announcement to be made to the shareholders of the company , (b) in the draft letter of offer and letter of offer to be sent to the

shareholders of the Company, (b) in the draft letter of offer and the letter of offer to be filed with the Registrar of Companies, Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as required by the SEBI Buyback Regulations, the Central Depository Services (India) Limited, National Securities Depository Limited, as applicable and, and (c) to be provided to the Sundae Capital Advisors Private Limited (“Manager to Buy Back”) and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

For S S Kothari Mehta & Company

Chartered Accountants

Firm Registration No. 000756N

Sd/-

Jalaj Soni

Partner

Membership No. 528799

Place: New Delhi

Dated: November 01, 2022

UDIN: 22528799BBTWVY3093

Enclosed: Annexure A

Annexure A

Statement of permissible capital payment towards buy back of equity shares in accordance with section 68 of the Act and the Buy Back Regulations based on the audited standalone and consolidated financial statements as at and for the year ended March 31, 2022 prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act, read with the relevant rules issued thereunder

Particulars	Standalone (Rs. in lakhs)	Consolidated (Rs. in lakhs)
Paid up equity share capital as on March 31, 2022 (4,65,78,324 equity shares of face value Rs. 2 each)	931.57	931.57
Free reserves as on March 31, 2022*		
- Retained Earnings	94,946.13	94,945.71
- Less: Adjustments as per definition of free reserves as per section 2(43) of the Act (Net of Tax)	(877.23)	(877.23)
Total paid up capital and free reserves	95,000.47	95,000.05
Permissible capital payment in accordance with section 68(2)(b) of the Act (25% of the total paid-up Equity Share capital and free reserves)	23,750.12	23,750.01
10% of the total paid up equity share capital and free reserves, if the buyback is carried through tender offer route (in accordance with the Chapter III of the Buyback Regulations and Section 68(2)(c) of the Act)	9,500.05	9,500.01
Maximum amount permitted by Board Resolution dated November 01, 2022 approving the Buyback, based on the audited financial statements for the year ended March 31, 2022		8,500.00

* Free reserves as defined in Section 2(43) of the Act read along with Explanation II provided in Section 68 of the Act, as amended.

**For and on behalf of the Board of Directors of
Dhanuka Agritech Limited**

Sd/-

V.K. Bansal

Chief Financial Officer

For S S Kothari Mehta & Company

Chartered Accountants

Firm Registration No. 000756N

Sd/-

Jalaj Soni

Partner

Unquote

24. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the Corporate Office of the company at Global Gateway Towers MG Road, Near Guru Dronacharya Metro Station, Gurugram - 122 002, Haryana between 10:00 a.m. and 5:00 p.m. on working days during the offer period except Saturday, Sunday and Public holidays:

1. Certificate of Incorporation of the Company
2. Memorandum and Articles of Association of the Company.
3. Audited Financial Statements of the Company for the Financial Years ended March 31, 2022, 2021 and 2020.
4. Copy of the resolution passed by the Board of Directors at their meeting held on November 01, 2022 approving the proposal for Buyback.
5. Copy of report dated November 01, 2022 received from M/s S.S. Kothari Mehta & Company, Chartered Accountants, the Statutory Auditors of the Company, in terms of clause (ix) of Schedule I of the SEBI Buyback Regulations.
6. Copy of Public Announcement for Buyback dated November 02, 2022 published on November 03, 2022.
7. Copy of Escrow Agreement executed amongst the Company, Manager to the Buyback and Escrow Agent dated [●].
8. Declaration of solvency and an affidavit verifying the same in Form SH-9, dated November 01, 2022, as prescribed under Section 68(6) of the Act.
9. Certificate dated November 01, 2022 received from CA Nitin Jain (Mem. No.: 552947), Chartered Accountant, partner of M/s Manoj Ritu and Associates, certifying that the Company has made firm financing arrangements for fulfilling the obligations under the Buyback, in accordance with the SEBI Buyback Regulations.
10. SEBI Observation Letter No. [●] dated [●].

25. DETAILS OF THE REMEDIES AVAILABLE TO THE ELIGIBLE SHAREHOLDERS / BENEFICIAL OWNERS

In case of any grievance relating to the Buyback (e.g. non-receipt of the Buyback consideration, share certificate, demat credit etc.) the Eligible Shareholders can approach the Compliance Officer of the Company and/or Manager to the Buyback and/or Registrar to the Buyback for redressal.

If the Company makes any default in complying with the Section 68, 69, 70 of the Act or Rules thereunder, or SEBI Buyback Regulations, the Company or any officer of the Company who is in default shall be punishable in accordance with the provisions of the Act and Regulations

Details of the Compliance Officer

Name : Mr. Jitin Sadana
Designation : Company Secretary and Compliance Officer
Address : Global Gateway Towers, MG Road, Near Guru Dronacharya Metro Station,
Gurugram - 122 002, Haryana
Tel. : +91 124 434 5000
Email : investors@dhanuka.com

Investor may contact the Compliance Officer for any clarification or to address their grievances, if any, during 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and Public holidays.

Details of the Registrar of Companies

Registrar of Companies, Delhi and Haryana
4th Floor, IFCI Tower,
61, Nehru Place, New Delhi-110019
Phone: +91 011 2623 5703

26. DETAILS OF INVESTOR SERVICE CENTRE AND REGISTRAR TO THE BUYBACK

In case of any query, the Eligible Shareholders may also contact the Registrar to the Buyback, appointed as the Investor Service Centre for the purpose of the Buyback during working hours i.e. 10:00 a.m. to 5:00 p.m. on all working days at the following address except Saturday, Sunday and public holidays.



Bigshare Services Pvt. Ltd.

Bigshare Services Private Limited
CIN: U99999MH1994PTC076534
S6-2, 6th Floor, Pinnacle Business Park
Next to Ahura Centre, Mahakali Caves Road
Andheri (East), Mumbai - 400 093
Maharashtra, India
Tel.: +91 22 6263 8200
Fax: +91 22 6263 8299
Email: buybackoffer@bigshareonline.com
Website: www.bigshareonline.com
SEBI Registration No.: INR000001385
Contact Person: Jibu John

27. DETAILS OF THE MANAGER TO THE BUYBACK

The Company has appointed Sundae Capital Advisors Private Limited as the Manager to the Buyback and their contact details are given below:



Sundae Capital Advisors Private Limited
CIN: U65990DL2016PTC305412
Level 11, Platina, Plot No C - 59, 'G' Block
Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051, Maharashtra, India
Tel. No. +91 22 6884 1336
Email: dhanuka.buyback@sundaecapital.com
Investor Grievance e-mail id: grievances.mb@sundaecapital.com
Website: www.sundaecapital.com
SEBI Registration No.: INM000012494
Contact Person: Janil Jain / Ridima Gulati

28. DIRECTORS RESPONSIBILITY STATEMENT

As per Regulation 24(i)(a) of the SEBI Buyback Regulations, the Board of Directors of the Company accepts responsibility for the information contained in this Draft Letter of Offer and for the information contained in all other advertisements, circular, brochures, publicity materials etc. which may be issued in relation to the Buyback and confirms that the information in such documents contain and will contain true, factual and material information and does not and will not contain any misleading information. This Draft Letter of Offer is issued under the authority of the Board and in terms of the resolution passed by the Board on November 01, 2022.

For and on behalf of the Board of Directors of

Dhanuka Agritech Limited

Sd/-
Mahendra Kumar Dhanuka
Managing Director
(DIN: 00628039)

Sd/-
Harsh Dhanuka
Wholetime Director
(DIN: 00199516)

Sd/-
Jitin Sadana
Company Secretary and
Compliance Officer
(FCS-7612)

Place: Gurugram
Date: November 11, 2022