

# Khemani Distributors & Marketing Limited

CIN: L74300GJ2011PLC063520,

Registered Office: D/91-92, Laxminarayan Industrial Park, BRC Compound, Udhna, Bhestan, Surat - 394 210, Gujarat, India, "Phone No.: +91 97 3774 7888"; E-mail: [investors@khemanigroup.net](mailto:investors@khemanigroup.net); Website: [www.khemanigroup.net](http://www.khemanigroup.net)

This pre offer advertisement cum corrigendum is being issued by Sundae Capital Advisors Private Limited ("Manager to the Offer"), on behalf of Vijaykumar Khemani ("the Acquirer"), BSAS Infotech Limited ("PAC 1"), ONYX Partners ("PAC 2"), Vijaykumar Mangtaram Khemani HUF ("PAC 3") and Gryffin Advisory Services Private Limited ("PAC 4") (PAC 1, PAC 2, PAC 3 and PAC 4 are collectively referred to as "PACs") pursuant to the Regulation 18(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI SAST Regulations") ("Pre-Offer Advertisement cum Corrigendum") in respect of Open Offer ("Offer") for the acquisition up to 56,91,200 (Fifty Six Lakhs Ninety One Thousand Two Hundred Only) of face value Rs. 5/- each representing 24.77% of the total equity and voting share capital of the Target Company. The Detailed Public Statement pursuant to the Public Announcement made by the Acquirer has appeared in Jansatta (Hindi) all editions, Financial Express (English) all editions, Mumbai Lakshadep (Marathi) (Mumbai edition) and Financial Express (Gujarati) (Surat edition) on August 18, 2023.

This Pre-Offer Advertisement cum Corrigendum should be read in continuation of, and in conjunction with: (a) Initial Public Announcement dated August 09, 2023; (b) Corrigendum to the Public Announcement dated August 17, 2023; (c) Detailed Public Statement dated published on August 18, 2023; and (d) the Letter of Offer dated February 05, 2024 ("Letter of Offer").

For the purpose of this Pre-Offer Advertisement cum Corrigendum:

- (a) "Identified Date" means January 29, 2024, being the date falling on the 10th (Tenth) Working Day prior to the commencement of the Tendering Period; and
- (b) "Tendering Period" means the period from February 12, 2024 (Monday) to February 26, 2024 (Monday) (both days inclusive).

Capitalized terms used but not specifically defined in this Pre-Offer Advertisement cum Corrigendum shall have the same meaning assigned to such terms in the Letter of Offer, unless otherwise defined.

## A. The financial summary for PAC 1 under Clause 1.2 (f) should be read as under:

Key financial information of PAC 1 as at and for the period ended March 31, 2023, March 31, 2022 and March 31, 2021, as extracted from the audited financial statements, are as follows: (Rs. in lakhs)

| Particulars        | Financial Year ended March 31 |          |            |
|--------------------|-------------------------------|----------|------------|
|                    | 2023                          | 2022     | 2021       |
| Total Income       | 516.06                        | 1,657.31 | 643.71     |
| Profit after tax   | (302.26)                      | 122.18   | (523.16)   |
| Networth           | 209.68                        | 511.97   | 389.78     |
| Earnings Per Share | (604.53)                      | 244.37   | (1,046.33) |

B. **Revision in the Offer Price:** The original scheduled date for payment to shareholders under the Offer was November 03, 2023 and the revised date for payment to shareholders under the Offer is March 12, 2024. Hence the Offer price has been increased with interest @ 10% p.a. for the said additional period of 130 days (i.e. from November 03, 2023 to March 12, 2024). The revised offer price is Rs 155.67 (Rupees One Hundred Fifty-Five and Paise Sixty-Seven only) per Equity Share ("Offer Price"). For further details relating to the Offer Price, please refer to Clause 6 of the Letter of Offer. Except as above, there is no other modification in the Offer Price.

C. **Revision in the Offer Size:** The number of Equity Shares for which the present offer is being made has been adjusted by inclusion of Gryffin Advisory Services Private Limited in the Promoter and Promoter Group and after giving effect to the increase in the number of shares for which offer would have been given considering the breach of limit(s) (i.e. Breach of SAST Limit 1, Breach of SAST Limit 2, Breach of SAST Limit 3 and Breach of SAST Limit 4) under Regulation 3(3) and 3(4) of the SEBI SAST Regulations, i.e. (i) for acquisition which has resulted in breach of creeping acquisition limit on account of Non qualifying inter-se promoter group transfers; (ii) for acquisition of equity shares from the stock exchange which has resulted in the breach of 25% limit for an individual shareholder; and (iii) for acquisition which has resulted in breach of creeping acquisition limit on account of acquisition of Equity Shares by Gryffin Advisory Services Private Limited on June 30, 2017 and January 13, 2021. The size of the present Open Offer, combined together with the obligation arising on account of Breach of SAST Limit 1, Breach of SAST Limit 2, Breach of SAST Limit 3 and Breach of SAST Limit 4 is calculated as under:

| Particulars  | No. of shares      |
|--|--------------------|
| <b>A. No. of equity shares for which present Open Offer is given:</b>  |                    |
| No. of equity shares outstanding as on August 09, 2023 (trigger date for Open Offer)   | 2,29,74,000        |
| <b>Obligation to give open offer for 26% of the equity shares as on August 09, 2023 (trigger date for Open Offer) (A)</b>  | <b>59,73,240</b>   |
| <b>B. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 1</b>  |                    |
| No. of equity shares outstanding as on January 01, 2018 (trigger date for Open Offer on account of Breach of SAST Limit 1)   | 1,14,87,000        |
| Obligation to give open offer for 26% of the equity shares as on January 01, 2018 (trigger date for Open Offer)  | 29,86,620          |
| <b>Post Breach of SAST Limit 1, the Company had issued bonus shares on October 09, 2020 in the ratio of 1:1. Accordingly, the number of shares for which open offer would be deemed to be triggered is adjusted and increased in the ratio of bonus (D) (i.e., 29,86,620 x 2)</b>  | <b>59,73,240</b>   |
| <b>C. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 2</b>  |                    |
| No. of equity shares outstanding as on June 30, 2023 (trigger date for Open Offer on account of Breach of SAST Limit 2)  | 2,29,74,000        |
| <b>Obligation to give open offer for 26% of the equity shares as on June 30, 2023 (trigger date for Open Offer) (C)</b>  | <b>59,73,240</b>   |
| <b>D. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 3</b>  |                    |
| No. of equity shares outstanding as on June 30, 2017 (trigger date for Open Offer on account of Breach of SAST Limit 3)  | 1,14,87,000        |
| <b>Obligation to give open offer for 26% of the equity shares as on June 30, 2017 (trigger date for Open Offer)</b>  | <b>29,86,620</b>   |
| <b>Post Breach of SAST Limit 1, the Company had issued bonus shares on October 09, 2020 in the ratio of 1: 1. Accordingly, the number of shares for which open offer would be deemed to be triggered is adjusted and increased in the ratio of bonus (D) (i.e., 29,86,620 x 2)</b> | <b>59,73,240</b>   |
| <b>E. No. of equity shares for which Open Offer was required to be given for the instance of Breach of SAST Limit 4</b>  |                    |
| No. of equity shares outstanding as on January 13, 2021 (trigger date for Open Offer on account of Breach of SAST Limit 4)   | 2,29,74,000        |
| <b>Obligation to give open offer for 26% of the equity shares as on June 30, 2023 (trigger date for Open Offer) (E)</b>  | <b>59,73,240</b>   |
| <b>F. Total number of Equity Shares for which offer is to be given, being higher of the following:</b>   |                    |
| Aggregate of (A), (B), (C), (D), (E) as above  | <b>2,98,66,200</b> |
| Balance equity shares held by Eligible Shareholders as on August 09, 2023, after execution of SPA 1, SPA 2 and SPA 3 (Refer Note 1 below)  | 56,91,200          |
| <b>Offer Size for which Offer is proposed to be given (not to exceed the balance equity shares held by Eligible Shareholders after signing of SPA 1, SPA 2 and SPA 3)</b>  | <b>56,91,200</b>   |
| %age of Offer Size to the paid up equity and voting share capital of the Target Company as on August 09, 2023  | 24.77              |

D. **For the change in the Offer Price and the number of Equity Shares for which Offer is given, Clause 4.1 of the Detailed Public Statement stands modified as under:** This Offer is made by the Acquirer and the PACs to Eligible Shareholders, to acquire upto 56,91,200 Equity Shares of face value Rs. 5 each representing 24.77% of the total issued and voting Share Capital of the Target Company at a price of Rs. 155.67 (Rupees One Hundred Fifty Five and paise Sixty Seven only), including interest for the period of delay, per fully paid up Equity Share of Rs. 5 each ("Offer Price") payable in cash, in accordance with Regulation 9(1)(a) of the SEBI SAST Regulations.

E. Accordingly, the Offer Price and Offer Size shall stand modified at all places appearing in the Detailed Public Statement.

F. **Recommendation of the Committee of Independent Directors:** The Committee of Independent Directors of the Target Company (the "IDC") published its written reasoned recommendations on the Offer to the shareholders of the Target Company, on February 08, 2024 in the same newspapers in which the Detailed Public Statement was published. The relevant extract of the recommendation of the IDC is given below:

|   |   |
|---|---|
| Members of the Committee of Independent Directors (IDC) (Please indicate the chairperson of the Committee separately) | a) Mr. Amit Mahavirprasad Jain (Chairman)<br>b) Mr. Balkishan Ramsnehi Agarwal (Member)<br>c) Mr. Mukeshkumar Devidutt Kabra (Member)   |
| Recommendation on the Open Offer, as to whether the offer, is or is not, fair and reasonable                          | The IDC noted that the Offer Price at Rs. 155.67 per Equity Share by the Acquirer has been arrived at after considering the following:<br>1. Minimum Offer Price 1 as triggered on account of execution of SPA 1, SPA 2 and SPA 3 and as calculated and disclosed under the Clause 6.1.1 of the Letter of Offer as per the provisions of Regulation 8(2) of the SEBI SAST Regulations;<br>2. Minimum Offer Price 2 as triggered on account of Breach of SAST Limit 1 and as calculated and disclosed under the Clause 6.1.2 of the Letter of Offer as per the provisions of Regulation 8(2) of the SEBI SAST Regulations;<br>3. Minimum Offer Price 3 as triggered on account of Breach of SAST Limit 2 and as calculated and disclosed under the Clause 6.1.3 of the Letter of Offer as per the provisions of Regulation 8(2) of the SEBI SAST Regulations;<br>4. Minimum Offer Price 4 as triggered on account of Breach of SAST Limit 3 and as calculated and disclosed under the Clause 6.1.4 of the Letter of Offer as per the provisions of Regulation 8(2) of the SEBI SAST Regulations; and<br>5. Minimum Offer Price 5 as triggered on account of Breach of SAST Limit 4 and as calculated and disclosed under the Clause 6.1.5 of the Letter of Offer as per the provisions of Regulation 8(2) of the SEBI SAST Regulations;<br>The closing price of the equity shares of the Target company on BSE Limited ("BSE") on December 15, 2023 (i.e., the day immediately preceding the date of the meeting of IDC on which the same were traded on the stock exchange) is INR 76.96 (Rupees Seventy Six and paise Ninety Six only). The Offer Price of Rs. 155.67 (Rupees One Hundred Fifty Five and paise Sixty Seven only), including interest @ 10% p.a. for the period of delay, is at 102.27% premium to the above mentioned closing price.<br>For the reasons set out hereunder, as of the date of this recommendation, the IDC is of the opinion that the Open Offer is in accordance with the SEBI SAST Regulations.<br>Further, the Public Shareholders of the Target company are advised to independently evaluate the Open Offer and take an informed decision in their best interest about tendering the Equity shares held by them in the Open Offer. |
| Summary of reasons for recommendations  | The IDC of Khemani Distributors & Marketing Limited has taken into consideration the following points while making this recommendation:<br>a) The Public Announcement, Detailed Public Statement, Draft Letter of Offer and Letter of Offer.<br>b) SPA 1, SPA 2 and SPA 3 entered into on August 09, 2023 to acquire an aggregate of 60,07,600 Equity Shares of the Target Company at a price of INR 26.50 per Equity share.<br>c) The Offer Price of Rs. 155.67 per Equity Share, including interest for the period of delay, by the Acquirer and PACs has been arrived at after considering the points mentioned under Clause 11 of this recommendation.<br>d) The valuation reports dated August 09, 2023 and addendum valuation report dated December 19, 2023 to determine the Minimum Offer Price 1 as Rs. 26.50, Minimum Offer Price 2 as Rs. 97.50, Minimum Offer Price 3 as Rs. 24.32, Minimum Offer Price 4 as Rs. 56.50 and Minimum Offer Price 5 as Rs. 80.00 per Equity Share, excluding interest payable on the minimum Offer Price for the period of delay, as provided by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564).<br>e) The closing price of the equity shares of the Target Company on BSE on December 15, 2023 (i.e., the day immediately preceding the date of the meeting of IDC on which the same were traded on the stock exchange) is INR 76.96 (Rupees Seventy Six and paise Ninety Six only). The Offer Price of Rs. 155.67 (Rupees One Hundred Fifty Five and paise Sixty Seven only) is at 102.27% premium to the above mentioned closing price. Further, the above price of Rs. 155.67 also includes interest @ 10% p.a. for the period of delay.<br>f) Keeping in view above facts IDC is of the opinion that Open Offer price is fair and reasonable. However, the Public Shareholders of the Target Company should independently evaluate the offer and take the informed decision in their best interest about tendering the Equity shares held by them in the Open Offer.  |

## G. Revision in the Detailed Public Statement

1. **Inclusion of Gryffin Advisory Services Private Limited as Promoter Group shareholder and PAC and details of acquisition of Equity Shares aggregating more than creeping acquisition limit of 5% in any one financial year by Gryffin Advisory Services Private Limited:** Gryffin Advisory Services Private Limited, a shareholder of the Company was wrongly classified as a public category shareholder by the Target Company. In terms of the Regulation 2(p)(ii) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "SEBI ICDR Regulations"), Mrs. Savita Agarwal, sister of Sushiladevi Khemani falls under the definition of "Promoter Group" and holds 99% of the paid up equity shares in Gryffin Advisory Services Private Limited. Further, in terms of Regulation 2(p)(iv) of the SEBI ICDR Regulations and the shareholding pattern, Gryffin Advisory Services Private Limited also forms part of the Promoter Group of the Company. After Clause 1.4, new clause 1.5 shall be read as under and the clauses thereafter shall stand renumbered accordingly:

### 1.5 Gryffin Advisory Services Private Limited is as under:

- (a) Gryffin Advisory Services Private Limited (CIN: U67100MH2008PTC178635 & PAN: AAFCM9591G) was incorporated on February 08, 2008 as Many Traders Private Limited under the Companies Act, 1956. The name of the PAC 4 was changed to Gryffin Advisory Services Private Limited on January 22, 2016. The registered office of the PAC 4 is situated at E-805, Sonam Srilvas, New Golden Nest Phase XV, Bhayander (East), Thane - 401 105. The equity shares of the PAC 4 are not listed on any stock exchange.
- (b) The issued and paid up share capital of PAC 4 is Rs. 1,00,000 consisting of 10,000 equity shares of Rs. 10/- each.
- (c) The PAC 4 is engaged in the business of to carry on the business as management consultants, financial consultants, investment consultants, advisors, share brokers, sub brokers, merchant bankers, registrars, transfer agents, underwriters, lead managers, depository participants, portfolio managers, commodity brokers and to invest in, acquire, hold, underwrite, sell or otherwise deal in shares, stocks, debenture, bonds and to generally undertake all types of activities of investment and financial intermediaries.
- (d) The Shareholding Pattern of PAC 4 is as under:

| Name of Shareholder   | No. of shares | %age of holding |
|-----------------------|---------------|-----------------|
| Savita Agarwal        | 9,900         | 99.00           |
| Shrawan Kumar Agarwal | 100           | 1.00            |
| <b>Total</b>          | <b>10,000</b> | <b>100.00</b>   |

(e) The Board of Directors of PAC 4 comprises of:

| Name of Director      | DIN      | Date of appointment |
|-----------------------|----------|---------------------|
| Shrawan Kumar Agarwal | 07141325 | May 08, 2015        |
| Varsha Saurabh Bansal | 09797454 | November 28, 2022   |

(f) Key financial information of PAC 4 based on the audited financial statements as at and for the period ended March 31, 2023, March 31, 2022 and March 31, 2021, are as follows: (Rs. in lakhs)

| Particulars        | Financial Year ended March 31 |          |          |
|--------------------|-------------------------------|----------|----------|
|                    | 2023                          | 2022     | 2021     |
| Total Income       | 230.83                        | 50.18    | 54.37    |
| Profit after tax   | 241.24                        | 49.05    | 54.29    |
| Networth           | 1,468.36                      | 1,227.32 | 1,178.27 |
| Earnings Per Share | 2,410.44                      | 490.53   | 542.95   |

(g) As of the date of the Letter of Offer, PAC 4 holds 33,60,000 fully paid up Equity Shares in the Target Company.

(h) The PAC 4 has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended or under any other regulations made there under.

(i) The PAC 4 has neither been classified as wilful defaulter by RBI nor have been categorized as a fugitive economic offender and hence, is in compliance of Regulation 6A and 6B, respectively, of the SEBI SAST Regulations.

2. **Accordingly, Clause 5.5 of the Detailed Public Statement stands modified by addition of the previous instances of breach of limit for open offer, as under by inclusion of Clause 5.5.3 as under:**

### 5.5.3 ACQUISITION OF SHARES AGGREGATING MORE THAN CREEPING ACQUISITION LIMIT OF 5% IN ANY ONE FINANCIAL YEAR BY GRYFFIN ADVISORY SERVICES PRIVATE LIMITED

A. On June 30, 2017, Gryffin Advisory Services Private Limited, has acquired certain shares from the stock market, which has resulted in increase of promoter and promoter group shareholding beyond the creeping acquisition limit of 5% in any one financial year as stipulated under Regulation 3(2) of the SEBI SAST Regulations and hence had triggered an open offer under Regulation 3(2) read with Regulation 4 ("Breach of SAST Limit 3"). The acquisition of such shares has not resulted in any change in control or management of the Target Company as Gryffin Advisory Services Private Limited falls in the definition of the Promoter Group.

The details of the said acquisition are as under:

| Name                                      | Pre transaction |          | Transaction      |               |                                 | Post transaction |               | Increase / Decrease in holding                         |
|---|-----------------|----------|------------------|---------------|---------------------------------|------------------|---------------|--|
|   | No. of shares   | % age    | No. of shares    | % age         | Nature of transaction           | No. of shares    | % age         |  |
| Gryffin Advisory Services Private Limited | -               | -        | 20,00,400        | 17.41*        | Acquisition on stock exchange\$ | 20,00,400        | 17.41*        | Increase, resulting in breach of Regulation 3(2) limit |
| <b>Total</b>                              | <b>-</b>        | <b>-</b> | <b>20,00,400</b> | <b>17.41*</b> |                                 | <b>20,00,400</b> | <b>17.41*</b> |  |

(\* Total number of outstanding shares of the Target Company on the said date was 1,14,87,000.

\$ On the same date equivalent number of shares were sold by the Promoter and Promoter Group on the stock exchange platform

B. On January 13, 2021, the Promoter group entity, Gryffin Advisory Services Private Limited, has acquired certain shares from the stock market, which has resulted in increase of promoter and promoter group shareholding collectively beyond the creeping acquisition limit of 5% in any one financial year as stipulated under Regulation 3(2) of the SEBI SAST Regulations and hence had triggered an open offer under Regulation 3(2) read with Regulation 4 ("Breach of SAST Limit 4"). The acquisition of such shares has not resulted in any change in control or management of the Target Company as Gryffin Advisory Services Private Limited falls in the definition of the Promoter Group.

The details of the said acquisition are as under:

| Name                                      | Pre transaction  |              | Transaction      |              |                       | Post transaction |               | Increase / Decrease in holding                         |
|---|------------------|--------------|------------------|--------------|-----------------------|------------------|---------------|--|
|   | No. of shares    | % age        | No. of shares    | % age        | Nature of transaction | No. of shares    | % age         |  |
| Gryffin Advisory Services Private Limited | 24,82,800        | 10.81        | 8,77,200#        | 3.82^        | Acquisition \$        | 33,60,000        | 14.63^        | Increase, resulting in breach of Regulation 3(2) limit |
| <b>Total</b>                              | <b>24,82,800</b> | <b>10.81</b> | <b>8,77,200#</b> | <b>3.82^</b> |                       | <b>33,60,000</b> | <b>14.63^</b> |  |

# Acquisition of 8,77,200 Equity Shares alongwith the acquisitions already made by the Promoter and Promoter Group during the said financial years exceeded the creeping acquisition limit of 5% in any one financial year.

\$ On the same date equivalent number of shares were sold by the Promoter and Promoter Group on the stock exchange platform

(\* Total number of outstanding shares of the Target Company on the said date was 2,29,74,000.

3. **Clause 5.6 of the Detailed Public Statement stands modified by addition of the previous instances of breach of limit for open offer and shall stand substituted as under:**

| Particulars  | Details as of August 09, 2023 | Details as of January 01, 2018*          | Details as of June 30, 2023              | Details as of June 30, 2017*             | Details as of January 13, 2021           |
|--|-------------------------------|--|--|--|--|
|  | Through SPA 1, SPA 2 & SPA 3  | Breach of SAST Limit 1                   | Breach of SAST Limit 2                   | Breach of SAST Limit 3                   | Breach of SAST Limit 4                   |
| Regulation which was triggered                                       | 3(2)                          | 3(2)                                     | 3(3)                                     | 3(2)                                     | 3(2)                                     |
| No. of underlying shares which triggered the liability of open offer | 60,07,600                     | 31,44,000                                | 4,99,200                                 | 20,00,400                                | 8,77,200                                 |
| No. of shares outstanding as on the respective date                  | 2,29,74,000                   | 1,14,87,000                              | 2,29,74,000                              | 1,14,87,000                              | 2,29,74,000                              |
| %age of then paid up share capital                                   | 26.15                         | 27.37                                    | 2.17                                     | 17.41                                    | 3.82                                     |
| Whether open offer was given   | Yes (present offer)           | No (now combined with the present offer) | No (now combined with the present offer) | No (now combined with the present offer) | No (now combined with the present offer) |

\* Prior to allotment of bonus equity shares by the Target Company on October 09, 2020

4. **Clause 6.1 of the Detailed Public Statement stands substituted as under:**

| Details  | Acquirer      |       | PACs          |       |
|--|---------------|-------|---------------|-------|
|  | No. of Shares | %age  | No. of Shares | %age  |
| Shareholding as on the date of Public Announcement   | 59,10,000     | 25.72 | 48,43,200     | 21.09 |
| Shares acquired between the date of Public Announcement and Detailed Public Statement  | Nil           | Nil   | Nil           | Nil   |
| Post Offer shareholding on fully diluted basis as of 10th Working Day after closing of Tendering Period (assuming no Equity Shares are tendered in the Open Offer)   | 1,19,17,600   | 51.87 | 48,43,200     | 21.09 |
| Post Offer shareholding on fully diluted basis as of 10th Working Day after closing of Tendering Period (assuming 100% Equity Shares are tendered in the Open Offer) | 1,76,08,800   | 76.65 | 14,83,200     | 6.46  |

5. **Summary for the Offer Price under Clause 7.1 of the Detailed Public Statement stands substituted as under:**

| Particulars  | Details as of August 09, 2023    | Details as of January 01, 2018        | Details as of June 30, 2023   | Details as of June 30, 2017   | January 13, 2021                      |
|--|----------------------------------|---------------------------------------|-------------------------------|-------------------------------|---------------------------------------|
| Date on which transaction undertaken which triggered the open offer requirement  | August 09, 2023                  | January 01, 2018                      | June 30, 2023                 | June 30, 2017                 | January 13, 2021                      |
| Period which would be considered to determine whether equity shares of the target Company are frequently traded or not     | August 01, 2022 to July 31, 2023 | January 01, 2017 to December 31, 2017 | June 01, 2022 to May 31, 2023 | June 01, 2016 to May 31, 2017 | January 01, 2020 to December 31, 2020 |
| No. of equity shares traded during the abovementioned period   | 15,07,200                        | 30,51,600                             | 11,18,400                     | 9,33,600                      | 38,11,200                             |
| No. of shares outstanding as on the respective date  | 2,29,74,000                      | 1,14,87,000*                          | 2,29,74,000                   | 1,14,87,000                   | 1,69,62,994                           |
| %age of then paid up share capital   | 6.56                             | 26.57                                 | 4.87                          | 8.13                          | 22.47                                 |
| Annualized trading turnover (as % of then paid up and voting share capital)  | 6.56                             | 26.57                                 | 4.87                          | 8.13                          | 22.47                                 |
| Whether Equity Shares of the Target Company are frequently traded  | No                               | Yes                                   | No                            | No                            | Yes                                   |
| Offer price in terms of Regulation 8(2) of the SEBI SAST Regulations   | Rs. 26.50                        | Rs. 97.50 #                           | Rs. 24.32                     | Rs. 56.50#                    | Rs. 80.00                             |
| Offer Price calculated in terms of Regulation 8(2) of the SEBI SAST Regulations including interest for the period of delay | NA                               | Rs. 155.67#                           | Rs. 25.48                     | Rs. 93.09                     | Rs. 119.16                            |
|  | Refer Para 6.1.1 below           | Refer Para 6.1.2 below                | Refer Para 6.1.3 below        | Refer Para 6.1.4 below        | Refer Para 6.1.5 below                |

\* Prior to issue of bonus equity shares by the Target Company

# The above share price has been adjusted for the allotment of bonus shares in the ratio of 1:1 on October 09, 2020

Rs. 155.67 (Rupees One Hundred Fifty Five and paise Sixty Seven only), being the highest of the price determined for the three dates as mentioned above has been offered to the shareholders of the Company as "Offer Price" under the SEBI SAST Regulations, in order to meet compliance of the Breach of SAST Limit 1, Breach of SAST Limit 2, Breach of SAST Limit 3 and Breach of SAST Limit 4 too.

6. **The Minimum Offer Price 2 under Clause 7.1.2 and all other relevance places shall be read as Rs. 155.67 per Equity Share, after inclusion of simple Interest @ 10% p.a. for the period from March 26, 2018 (i.e., the last date on which the payment should have been made under the trigger of open offer on January 01, 2018 in accordance with SEBI SAST Regulations) till March 12, 2024 (i.e., the last date on which the payment is being proposed to be made under the present open offer pursuant to signing of Share Purchase Agreements)**

7. **The Minimum Offer Price 3 under Clause 7.1.3 and all other relevance places shall be read as Rs. 25.48 per Equity Share, after inclusion of simple Interest @ 10% p.a. for the period from June 30, 2023 (i.e., the last date on which the payment should have been made under the trigger of open offer on January 01, 2018 in accordance with SEBI SAST Regulations) till March 12, 2024 (i.e., the last date on which the payment is being proposed to be made under the present open offer pursuant to signing of Share Purchase Agreements)**

8. **After Clause 7.1.3, new Clauses 7.1.4 and 7.1.5 shall be inserted which read as under:**

7.1.4 **Details of the minimum price for Open Offer ("Minimum Offer Price 4") triggered on account of Breach of SAST Limit 3**

**7.1.5 Details of the minimum price for Open Offer (“Minimum Offer Price 5”) triggered on account of Breach of SAST Limit 4**

7.1.5.1 The Equity Shares of the Target Company were listed and traded on BSE having a scrip code as KDML as on the date of Breach of SAST Limit 4. The Equity Shares of the Target Company were frequently traded on BSE during the 12 calendar months preceding the month in which Public Announcement was required to be under Regulation 2(1)(j) of the SEBI SAST Regulations for Breach of SAST Limit 4.

7.1.5.2 The annualized trading turnover of the Equity Shares of the Target Company during 12 calendar months preceding the month of Public Announcement (January 01, 2020 to December 31, 2020) on BSE, on which the Equity Shares of the Target Company are traded as detailed below:

| Name of Stock Exchange | Total Number of shares traded | Total No. of Equity Shares listed during the preceding 12 calendar months prior to the month of Public Announcement | Annualized trading turnover (as % of total number of listed shares) |
|------------------------|-------------------------------|---|---|
| BSE                    | 38,11,200                     | 1,69,62,994*  | 22.47%  |

Source: www.bseindia.com)

(\*) The Company has issued and allotted bonus equity shares on October 09, 2020 and therefore for the purpose of assessment whether the shares are frequently traded or not, the calculation has been made as under (in terms of proviso to Regulation 2(1)(j) of the SEBI SAST Regulations):

| Date                               | Number of shares outstanding | No. of days for which outstanding | Weighted average number of shares (for 365 days in a year) |
|------------------------------------|------------------------------|-----------------------------------|--|
| April 01, 2020 to October 08, 2020 | 1,14,87,000                  | 191 days                          | 60,11,005  |
| October 09, 2020 to March 31, 2021 | 2,29,74,000                  | 174 days                          | 1,09,51,989  |
| <b>Total</b>                       |                              |                                   | <b>1,69,62,994</b>   |

7.1.5.3 The Minimum Offer Price 5 of Rs. 119.16 (Rupees One Hundred Nineteen and Paise Sixteen only), including interest for the period of delay, is justified in terms of Regulation 8(2) of the SEBI SAST Regulations on the basis of the following:

| Sr. No. | Particulars   | Amount (in Rs.) |
|---------|---|-----------------|
| (a)     | The highest negotiated price per share of the Target Company for any acquisition under the agreement attracting the obligation to make the Public Announcement of the Offer i.e., the price per Equity Share under the agreement. However, the price has been given as the transaction price which resulted in Breach of SAST Limit 4 (i.e. Acquisition price which triggered 5% creeping acquisition limit on account of acquisition of shares by Gryffin Advisory Services Private Limited) \$: | 70.00           |
| (b)     | The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert during the 52 weeks immediately preceding the date of the Public Announcement <sup>^</sup> :   | 80.00           |
| (c)     | The highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert, during the 26 weeks immediately preceding the date of the Public Announcement <sup>^</sup> :  | 80.00           |
| (d)     | The volume-weighted average market price of Shares for a period of 60 trading days immediately preceding the date of the shares are the Public Announcement as traded on BSE :  | 70.00           |
| (e)     | The price determined by the Acquirer and the Manager taking into account valuation parameters including book value, comparable trading multiples and such other parameters as are customary for valuation of shares of such companies:  | -               |
|         | <b>Highest of the above (A)</b>   | <b>80.00</b>    |
|         | <b>Add:</b> Simple Interest @ 10% p.a. for the period from April 08, 2021 (i.e., the last date on which the payment should have been made under the trigger of open offer on January 13, 2021 in accordance with SEBI SAST Regulations) till March 12, 2024 (i.e., the last date on which the payment is being proposed to be made under the present open offer pursuant to signing of Share Purchase Agreements)   | 39.16           |
|         | <b>Minimum Offer Price 5</b>  | <b>119.16</b>   |

\$ The share price considered above is after impact of the bonus shares allotted by the Company on October 09, 2020.

<sup>^</sup> The transaction for acquisition had happened prior to the record date for the bonus and hence the underlying price of the transaction, as stated above has been adjusted for bonus issue in the ratio of 1:1.

7.1.5.4 In view of the parameters considered and presented in the table above and in the opinion of the Acquirer and Manager to the Offer, the Minimum Offer Price 5 of Rs. 119.16 (Rupees One Hundred Nineteen and Paise Sixteen only) per Equity Share, including interest for the period of delay, and the same has been certified by RV FCS Abhinav Agarwal, Registered Valuer (SFA) (IBBI Membership No.: IBBI/RV/06/2019/12564) vide his certificate dated December 19, 2023. Accordingly, the Minimum Offer Price 5 is justified for the date on which Breach of SAST Limit 4 occurred in terms of Regulation 8(2) of the SEBI SAST Regulations. (Note: The interest for the period of delay has been calculated separately and added to the Minimum Offer Price 5 certified as above).

**8 Clause 7.2 shall stand substituted as under:**

The Offer Price of Rs. 155.67 (Rupees One Hundred Fifty Five and Paise Sixty Seven only) per Equity Share, including interest for the period of delay, proposed under this Offer is highest of the Minimum Offer Price 1, Minimum Offer Price 2, Minimum Offer Price 3, Minimum Offer Price 4 and Minimum Offer Price 5 calculated under Clause 7.1.1, 7.1.2 and 7.1.3, 7.1.4 and 7.1.5. The Acquirer and PACs has offered the said higher price for the Open Offers mentioned under Clause 5.2 & for compliance of past obligation under Clause 5.5 of the Detailed Public Statement.

**9 Clause shall stand substituted as under:**

The total funding requirement for the Offer (assuming full acceptances) i.e., for the acquisition of up to 56,91,200 Equity Shares from the Eligible Shareholders of the Target Company at an Offer Price of Rs. 155.67 (Rupees One Hundred Fifty Five and paise Sixty Seven Only) per Equity Share, including interest for the period of delay, is Rs. 88,59,49,104 (Rupees Eighty Eight Crore Fifty Nine Lakhs Forty Nine Thousand One Hundred Four Only), (the “**Maximum Consideration**”).

**10 Clause 8.2 shall stand substituted as under:**

In accordance with the Regulation 17 of the SEBI Takeover Regulations, the Company has appointed ICICI Bank Limited as the Escrow Bank for the aforementioned Open Offer, and the Acquirer, the PACs, the Manager to the Open Offer and the Escrow Bank have entered into an Escrow Agreement pursuant to which the Escrow Account in the name and style “**KDML Open Offer Escrow Account**” bearing account number 000405145828 has been opened with the Escrow Bank. In accordance with SEBI Takeover Regulations and pursuant to the Escrow Agreement, the Acquirer and PACs has deposited an aggregate of Rs. 1,39,00,000 (Rupees One Crore Thirty Nine Lakhs only) (of which Rs. 1,26,00,000 was deposited on August 11, 2023 and Rs. 13,00,000 was deposited on August 14, 2023), which is equivalent to 1.57% of the value of Maximum Consideration payable under the Offer (assuming full acceptances).

**11 Clause 8.4 shall stand substituted as under:**

The aggregate of the market value of securities as aforesaid as on August 11, 2023, after providing appropriate haircut for margin (as available on the website of the National Stock Exchange of India Limited as on August 11, 2023), i.e., Rs. 50.25 Crores, and the deposit of Rs. 1.39 Crores made in the Escrow Account in cash is equivalent to Rs. 51.64 Crores, rounded off, representing 58.29% of the Offer Size, (assuming full acceptances) (the “**Escrow Amount**”), which is in excess of the minimum requirement in terms of Regulation 17 of the SEBI SAST 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 After Clause 8.4, new clause 8.5 shall be read as under and the clauses thereafter shall stand renumbered accordingly:**

8.5 In addition to above, Mr. Vikas Vijaykumar Khemani, s/o Vijaykumar Khemani (Acquirer) and also director of BSAS Infotech Limited (PAC 1), has given his consent and commitment to extend a sum of upto Rs. 7,500.00 lakhs (Rupees Seventy Five Crores) as advance, to the extent required, to meet the obligation of Acquirer and PACs for making payment to public shareholders of Khemani Distributors and Marketing Limited under the said Open Offer. The net-worth of Vikas Vijaykumar Khemani is Rs. 34,024.75 lakhs (Rupees three hundred forty crore twenty four lakhs seventy five thousand only) as on March 31, 2023 as certified by Mr. R.P. Soni (Membership no. 104796), Partner, NGS & Co. LLP, Chartered Accountants (Firm Registration No. 119850W), vide their certificate dated August 17, 2023 (UDIN: 23104796BGWFFL4654).

**H. Other details of the Open Offer:**

- This Offer is not a competing offer in terms of Regulation 20 of the SEBI SAST Regulations. Further, there was no competing offer to the Open Offer and the last date for making such competing offer was September 08, 2023.
- Since the Equity Shares of the Target Company are listed on SME platform of BSE, the same will be accepted under the Offer in the minimum lot of 1,200 Equity Shares.
- The dispatch of the Letter of Offer to all the Public Shareholders of the Target Company holding Equity Shares as on the Identified Date has been completed (either through electronic or physical mode) on February 05, 2024. The Identified Date was relevant only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer was to be sent. It is clarified that all the Public Shareholders (even if they acquire Equity Shares and become shareholders of the Target Company after the Identified Date) are eligible to participate in the Open Offer. A copy of the Letter of Offer (which includes the Form of Acceptance-cum-Acknowledgment) is also available on SEBI’s website (<https://www.sebi.gov.in>), the Registrar to the Offer ([www.bigshareonline.com](http://www.bigshareonline.com)), the Manager to the Offer ([www.sundaecapital.com](http://www.sundaecapital.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)). In case of non-receipt of the Letter of Offer, the Eligible Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgment from the websites indicated above.

**I. Instructions to the Eligible Shareholders:**

- In case the Equity Shares are held in physical form:** Eligible Shareholders who are holding physical Equity Shares and intend to participate in the Offer will be required to approach their respective Seller Member(s) along with the complete set of documents as mentioned in Clause 8.11.1 of the Letter of Offer.
- In case the Equity Shares are held in dematerialized form:** The Equity Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their Stock Broker / Selling Member indicating details of Shares they wish to tender in the Open Offer and as per the procedure specified in clause 8.10 of the Letter of Offer. Eligible Shareholders should tender their Equity Shares before market hours close on the last day of the Tendering Period.
- In case of non-receipt of the Letter of Offer and the Tender Form:** In case of non-receipt of Letter of Offer, Eligible Shareholder(s) can access the Letter of Offer on the website of SEBI, the Registrar to the Offer, the Stock Exchange and the Manager to the Offer at [www.sebi.gov.in](http://www.sebi.gov.in), [www.bigshareonline.com](http://www.bigshareonline.com), [www.bseindia.com](http://www.bseindia.com), and [www.sundaecapital.com](http://www.sundaecapital.com), respectively. Further, an Eligible Shareholder who wishes obtain a copy of the Letter of Offer, they may send a request to the Registrar or Manager at their respective email id

mentioned in this Public Announcement stating the name, address, number of Equity Shares, client ID number, DP name / ID, beneficiary account number, Folio No. and upon receipt of such request, a copy of the Letter of Offer shall be provided to such Eligible Shareholder. An Eligible Shareholder may also participate in the Offer by downloading the Tender Form from the website of the Registrar to the Offer. For complete details in case of non-receipt of the Letter of Offer and the Tender Form request you to refer clause 8.12 of the Letter of Offer.

**Eligible Shareholders have to ensure that their order is entered in the electronic platform of the Designated Stock Exchange, i.e. BSE, which will be made available by BSE, before the closure of the Tendering Period.**

Further, Eligible Shareholders are required to refer to Clause 8 of the Letter of Offer (“Procedure for Acceptance and Settlement”) in relation to the detailed procedure for tendering their Equity Shares in the Offer and are required to adhere to and follow the procedure outlined therein.

**J. Material Updates (after the date of the Detailed Public Statement and included in the Letter of Offer)**

In terms of Regulation 16(1) of the SEBI SAST Regulations, the draft Letter of Offer was submitted to SEBI on August 25, 2023 (“Draft Letter of Offer”). SEBI, vide its letter bearing reference no. SEBI/HO/CFD/DCR-2/P/OW/2024/3607/1 dated January 24, 2024 (“SEBI Observation Letter”), issued its comments on the Draft Letter of Offer in terms of Regulation 16(4) of the SEBI SAST Regulations. These comments have been suitably incorporated in the Letter of Offer.

Public Shareholders are requested to note the following key changes to the Draft Letter of Offer as included in the Letter of Offer in relation to the Open Offer, except as already covered under the Pare E “**Revision in the Detailed Public Statement**” above:

- Compliance status pursuant to regulation 29(1) and 29(2) of SEBI SAST Regulations by the Selling shareholders is updated under clause 3.1.2.4 of the Letter of Offer.
- Confirmation by the Acquirer and PACs that they do not have any relationship with the Directors and Promoters of the selling shareholders under SPA 1, SPA 2 and SPA 3 is updated under clause 3.1.2.6 of the Letter of Offer.
- Sources of funds of the Acquirer for non-qualifying inter-se transfers as on January 01, 2018 is disclosed in clause 3.1.3.1 of the Letter of Offer.
- Status of compliance pursuant to regulation 29 and 30 of SEBI (SAST) Regulation for Vijaykumar Khemani, BSAS Infotech Limited, Onyx Partners, Vijaykumar Khemani HUF, Gryffin Advisory Services Private Limited and other Promoter and Promoter Group is updated under clause 4.8 of the Letter of Offer. For complete details please refer clause 4.8 of the Letter of Offer.
- The key financial information of the Target Company based on the limited reviewed financial for the six months period ended September 30, 2023 is provided under clause 5.11 of the Letter of Offer. For complete details please refer clause 5.11 of the Letter of Offer.
- Pre-Offer Shareholding Pattern of the Target Company as on August 04, 2023 and the resulting post offer shareholding pattern after inclusion of Gryffin Advisory Services Private Limited as part of Promoter and Promoter Group of the Target Company is updated under clause 5.14 of the Letter of Offer. For complete details please refer clause 5.14 of the Letter of Offer.
- Name of the Compliance officer of the Target Company has been changed to Ms. Meghavi Gonawala under Clause 5.15 of the Letter of Offer.

**K. Revised Schedule of Major Activities:**

| Schedule of Major Activities   | Original Date      | Original Day | Revised Date       | Revised Day |
|--|--------------------|--------------|--------------------|-------------|
| Date of the Public Announcement  | August 09, 2023    | Wednesday    | August 09, 2023    | Wednesday   |
| Corrigendum to the Public Announcement   | August 17, 2023    | Thursday     | August 17, 2023    | Thursday    |
| Date of publication of the Detailed Public Statement   | August 18, 2023    | Friday       | August 18, 2023    | Friday      |
| Date for filing of Draft Letter of Offer with SEBI   | August 25, 2023    | Friday       | August 25, 2023    | Friday      |
| Last date of a competing offer   | September 08, 2023 | Friday       | September 08, 2023 | Friday      |
| Latest date by which SEBI’s observations will be received  | September 15, 2023 | Friday       | January 24, 2024   | Thursday    |
| Identified Date*   | September 20, 2023 | Wednesday    | January 29, 2024   | Monday      |
| Last date by which the Letter of Offer will be dispatched to the Eligible Shareholders of the Target Company as on the identified date   | September 27, 2023 | Wednesday    | February 05, 2024  | Monday      |
| Last Date for revising the Offer Price / Offer Size  | October 04, 2023   | Wednesday    | February 08, 2024  | Thursday    |
| Last date by which the recommendations of the Committee of Independent Directors of the Target Company will be given and published       | October 04, 2023   | Wednesday    | February 08, 2024  | Thursday    |
| Date of publication of Public Announcement for Opening the Offer   | October 05, 2023   | Thursday     | February 09, 2024  | Friday      |
| Date of Commencement of the Tendering Period (Offer Opening Date)  | October 06, 2023   | Friday       | February 12, 2024  | Monday      |
| Date of Closing of the Tendering Period (Offer Closing Date)   | October 19, 2023   | Thursday     | February 26, 2024  | Monday      |
| Last date for communicating Rejection / Acceptance and Payment of consideration for accepted equity shares / credit of unaccepted shares | November 03, 2023  | Friday       | March 12, 2024     | Tuesday     |
| Last date for issue of post-offer advertisement  | November 10, 2023  | Friday       | March 19, 2024     | Tuesday     |

\* Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer will be sent. It is clarified that all the Eligible Shareholders of the Target Company are eligible to participate in this Offer any time during the tendering period of the Offer.

**L. Other Information**

- As of date, to the best of the knowledge of the Acquirer along with the PACs, no statutory approvals are required for the Offer except as mentioned in the Letter of Offer.
- The Open Offer will be implemented through Stock Exchange Mechanism made available by the Stock Exchanges in the form of a Separate Window (“Acquisition Window”) as provided under the SEBI (SAST) Regulations, 2011 and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016. The Acquirer has through whom the purchases and settlement of the Open Offer shall be made during the Tendering period. The detailed procedure for tendering of shares is given under clause 8 “Procedure for Acceptance and Settlement” of the Letter of Offer.
- The Acquirer accepts full responsibility for the information contained in this Pre-Offer advertisement cum Corrigendum and also for the obligations of the Acquirer as laid down in SEBI (SAST) Regulations 2011.
- This Pre-Offer Advertisement cum Corrigendum would also be available on the website of the SEBI at [www.sebi.gov.in](http://www.sebi.gov.in), BSE Limited at [www.bseindia.com](http://www.bseindia.com) and the Manager to the Offer at [www.sundaecapital.com](http://www.sundaecapital.com)

**ISSUED BY THE MANAGER TO THE OPEN OFFER ON BEHALF OF THE ACQUIRER AND PACs:****MANAGER TO THE OPEN OFFER**

**SUNDAE**

**Sundae Capital Advisors Private Limited**

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**Investor Grievance e-mail id:** [grievences.mb@sundaecapital.com](mailto:grievences.mb@sundaecapital.com)

**Website:** [www.sundaecapital.com](http://www.sundaecapital.com)

**SEBI Regn. No.:** INM000012494, **Validity Period:** Permanent

**Contact Person:** Anchal Lohia / Rajiv Sharma

**for and on behalf of Acquirers and PACs**

**Sd/-**

**Vijaykumar Khemani**

**Sd/-**

**ONYX Partners**

**Represented by Vijaykumar Khemani, Partner**

**Sd/-**

**Gryffin Advisory Services Private Limited**

**Represented by Shrawan Kumar Agarwal**

**Sd/-**

**BSAS Infotech Limited**

**Represented by Vijaykumar Khemani, Director**

**Sd/-**

**Vijaykumar Mangtaram Khemani HUF**

**Represented by Vijaykumar Khemani, Karta**

Place: Surat

Date: February 08, 2024