

LETTER OF OFFER

"THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION"

This Letter of Offer is sent to you as a Public Shareholder(s) of Dalal Street Investments Limited. If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager to the Offer or Registrar to the Offer. In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER ("OFFER")

BY

MR. MURZASH SOHRAB MANEKSHANA ("ACQUIRER")

Address: 402, Odyssey II, Orchard Avenue, Hiranandani Garden, Powai, Mumbai – 400 076.

Mobile No. +91 9820235100; **Email ID:** murzashmanekshana@gmail.com;

To acquire upto 81,920 fully paid up Equity Shares of Rs. 10/- (Rupees ten only) each representing 26.00% of the Paid-up Equity Share Capital of the Target Company, at a price of Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six Only) per Equity Share (the "Offer Price") payable in cash ("Offer" or "Open Offer") from the public shareholders of

DALAL STREET INVESTMENTS LIMITED ("TARGET COMPANY")

(CIN: L65990PN1977PLC141282)

Registered Office: 301, Chintamani Apartments, 1478, Sadashiv Peth, Tilak Road, Pune – 411 030
and

Corporate Office: 6C, Sindhu House, Nanabhai Lane, Flora Fountain, Fort, Mumbai – 400 001.

Tel: +91 22 2202 4555;



Email ID: info@dalalstreetinvestments.com; **Website:** www.dalalstreetinvestments.com

Please note:

1. This Offer is being made by the Acquirer pursuant to Regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SAST Regulations**") for substantial acquisition of shares/voting rights accompanied with change in control and management of the Target Company.
2. There is no person(s) acting in concert with the Acquirer for the purpose of this Offer.
3. If there is any upward revision in the Offer Price/Size at any time prior to the commencement of one (1) Working Day before the commencement of the tendering period viz. Thursday, November 29, 2018 in terms of the SAST Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the Detailed Public Statement dated September 14, 2018 had appeared. If the Offer is withdrawn pursuant to Regulation 23 of the SAST Regulations, the same would be communicated within two (2) Working Days by an Announcement in the same newspapers in which the Detailed Public Statement had appeared.
4. Non-Resident Indians ("**NRI**"), Overseas Corporate Bodies ("**OCB**") or any other non-resident holders of Equity Shares, if any, must obtain all requisite approvals required to tender the Equity Shares held by them pursuant to this Offer (including without limitation, the approval from the Reserve Bank of India ("**RBI**") and submit such approvals, along with the other documents required in terms of the Letter of Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and Foreign Portfolio Investors ("**FPIs**") had required any approvals (including from the RBI or any other regulatory authority) in respect of the Equity Shares held by them, they will be required to submit the previous approvals that they would have obtained for

holding the Equity Shares, to tender the Equity Shares held by them pursuant to this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves its right to reject such Equity Shares tendered in this Offer.

5. To the best of the knowledge of the Acquirer there are no statutory approval(s) required by the Acquirer to complete this Offer. However, in case of any statutory approval(s) being required at a later date, this Offer will be subject to such approval(s) and the necessary applications for such approvals will be made. For more details regarding the statutory and other approvals for the Offer, please see paragraph 7.3 (Statutory and other approvals) of this Letter of Offer.
6. This Offer is not a competing offer in terms of Regulation 20 of the SAST Regulations.
7. **If there is a competitive bid:**
 - **The Public Offer under all subsisting bids shall open and close on the same date.**
 - **As per the information available with the Acquirer/Target Company, no competitive bid has been announced as of the date of this Letter of Offer.**
8. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/Detailed Public Statement/ Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.
9. The Offer is not subject to a minimum level of acceptance by the shareholders of the Target Company and is not a conditional offer.
10. The Procedure for Acceptance and Settlement of the Offer is set out in paragraph 8 of this LOF.
11. The Public Announcement, Detailed Public Statement, Draft Letter of Offer and Letter of Offer are also available at website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
<div style="text-align: center;">  </div> <p>KJMC Corporate Advisors (India) Limited SEBI Regn No : INM000002509 162, 16th Floor, Atlanta, Nariman Point, Mumbai 400021 Telephone: +91 22 4094 5500 Fax : +91 22 22852892 Email: dsil.offer@kjmc.com Contact Person: Mr. Kaushal Patwa/Mr. Ghanshyam Kapadia</p>	<div style="text-align: center;">  </div> <p>Bigshare Services Private Limited SEBI Regn No : INR00001385 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Telephone: +91 22 6263 8200 Fax : +91 22 6263 8299 Email: openoffer@bigshareonline.com Contact Person: Mr. Srinivas Dornala</p>
<p>OFFER OPENS: Tuesday, December 4, 2018</p>	<p>OFFER CLOSES: Monday, December 17, 2018</p>

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activity	Day & Date	
	As per the DLOF	Revised and Current
Date of the PA	Friday, September 7, 2018	Friday, September 7, 2018
Date of Publication of the DPS in newspapers	Saturday, September 15, 2018	Saturday, September 15, 2018
Date of filing DLOF with SEBI	Monday, September 24, 2018	Friday, September 21, 2018
Last date for public announcement of a competing offer(s)#	Tuesday, October 9, 2018	Tuesday, October 9, 2018
Last date for receipt of comments from SEBI on the DLOF (in the event SEBI has not sought clarification or additional information from the Manager to the Offer)	Tuesday, October 16, 2018	Friday, November 16, 2018
Identified Date*	Friday, October 19, 2018	Friday, November 16, 2018
Last Date by which the LOF will be dispatched to the Public Shareholders	Friday, October 26, 2018	Thursday, November 29, 2018
Last date for upward revision of the Offer Price / Offer Size	Monday, October 29, 2018	Thursday, November 29, 2018
Last date by which a committee of independent directors of the Target Company shall give its recommendation / comments to the Public Shareholders of the Target Company	Tuesday, October 30, 2018	Friday, November 30, 2018
Offer Opening Public Announcement	Thursday, November 1, 2018	Monday, December 3, 2018
Date of commencement of tendering period (" offer opening date ")	Friday, November 2, 2018	Tuesday, December 4, 2018
Date of closing of tendering period (" offer closing date ")	Monday, November 19, 2018	Monday, December 17, 2018
Last Date of communicating rejection/acceptance and payment of consideration for applications accepted/ return of unaccepted share certificates/ credit of unaccepted Equity Shares to Demat Account.	Wednesday, December 5, 2018	Tuesday, January 1, 2019
Last date for issue of post-Offer advertisement	Wednesday, November 28, 2018	Tuesday, January 8, 2019
Last date for filing of final report with SEBI	Wednesday, December 12, 2018	Tuesday, January 8, 2019

#There has been no competing offer as of the date of this LOF.

***Identified Date is only for the purpose of determining the names of the shareholders of the Target Company as on such date to whom the LOF (defined below) would be dispatched. All owners (registered or unregistered) of Equity Shares of the Target Company (except the Acquirer and the parties to the SPA) are eligible to participate in the Offer any time before the closure of the Offer.**

The comments on the Draft Letter of Offer were received on Friday, November 16, 2018. Accordingly, the revised dates for the above-mentioned activities are set out in the revised schedule.

RISK FACTORS

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirer: -

A. Risk in association with the Transaction and the Offer

1. The Offer involves an offer to acquire upto 26.00% of the Paid-up Equity Share Capital of the Target Company from the Public Shareholders for the Offer. In the case of oversubscription in the Offer, as per the SAST Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the Public Shareholders in the Offer will be accepted.
2. The Acquirer may withdraw the Offer in accordance with the conditions specified in paragraph 7.3.5 in the LOF. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the DPS had appeared, stating the grounds for the withdrawal in accordance with Regulation 23(2) of the SAST Regulations.
3. As on date, to the best knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any other statutory approvals being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals. In case of delay in receipt of any statutory approvals which may be required by the Acquirer at a later date, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders of the Target Company for delay beyond 10 (Ten) Working Days at such rate as may be specified by SEBI from time to time in accordance with Regulation 18(11) of the SAST Regulations. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer. The Acquirer will have the right not to proceed with this Offer in the event any statutory approval, as may be required, is refused.
4. In the event of any litigation leading to a stay on this Offer by a court of competent jurisdiction; or SEBI instructing the Acquirer not to proceed with this Offer, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer as well as the return of the Equity Shares not validly accepted in this Offer by the Acquirer, may be delayed.
5. The Public Shareholders should note that, under the SAST Regulations, once the Public Shareholders have tendered their Equity Shares in the Offer, they will not be entitled to withdraw their Equity Shares from the Offer during the Tendering Period even if the acceptance of the Equity Shares in this Offer and/or the dispatch of consideration are delayed.

6. The Equity Shares tendered in the Offer will be held in the pool account of the broker / in trust by the Clearing Corporation, on behalf of the Public Shareholders who have tendered their Equity Shares, till the completion of the formalities of this Offer, and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer during such period, even if the acceptance of the Equity Shares in this Offer and/or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer makes no assurance with respect to the market price of the Equity Shares both during the Tendering Period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
7. In the case of over-subscription of this Offer i.e. the number of Equity Shares validly tendered by the Public Shareholders is more than the Offer Size, acceptance will be determined on a proportionate basis (as detailed in paragraph 3.2.6 below) and hence, there is no certainty that all the Equity Shares tendered by the Public Shareholders in this Offer will be accepted. The unaccepted Equity Shares will be returned to the respective Public Shareholders in accordance with the schedule of activities for the Offer.
8. This LOF has not been filed, registered or approved in any jurisdiction outside India. Recipients of this LOF resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to the applicable laws or regulations or would subject the Acquirer or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
9. All Public Shareholders, including non-residents holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Equity Shares held by them (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares.
10. The Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF.
11. Physical shares tendered in the Offer may not be accepted in terms of SEBI notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and subsequent amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it is mandated that with effect from December 5, 2018, transfer of securities shall not be processed by listed entity unless the securities are held in the dematerialized form with a depository. In this connection, those shareholders (holding Equity Shares of the Target Company in physical form) and who are desirous of tendering their Equity Shares (which are held in physical form) in the Offer can do so only after the Equity Shares are dematerialized. In case SEBI brings any amendment to above regulation at a later date, shareholders are advised to follow that while tendering their Equity Shares in the Offer.

12. The Acquirer and the Manager to the Offer accept no responsibility for statements made otherwise than in the PA, the DPS, this LOF, the Offer Opening Public Announcement or in any corrigendum to the DPS and the PA (if issued) or in the advertisement or any materials issued by or at the instance of the Acquirer, (excluding all information pertaining which has been obtained from publicly available sources), and anyone or any person placing reliance on any other source of information (not released by the Acquirer or the Manager to the Offer) will be doing so at its own risk.

B. Risks involved in association with the Acquirer:

- a. The Acquirer makes no assurances with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.
- b. The Acquirer makes no assurances with respect to the continuation of the past trend in the financial performance or the future performance of the Target Company.
- c. The Acquirer make no assurances with respect to the market price of the Equity Shares before, during or after this Offer and expressly disclaims its responsibility or obligation of any kind with respect to any decision by any Public Shareholder on whether or not to participate in this Offer.
- d. The acquisition of Equity Shares pursuant to this Offer, together with the Equity Shares acquired pursuant to the SPA, may result in public shareholding in the Target Company falling below the level required for continued listing as prescribed under the LODR Regulations. While the Target Company is required to decrease the non-public shareholding to the level specified and within the time stipulated under the SCRR, as per the requirements of Regulation 7(4) of the SAST Regulations and, or, the LODR Regulations, any failure to comply with the aforesaid regulations could have an adverse effect on the price and tradability of the Equity Shares.

The risk factors set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Public Shareholders of the Target Company are advised to consult their stockbroker or investment consultant or any other advisors, if any, for further risk with respect to their respective participation in the Offer.

CURRENCY OF PRESENTATION

- In this LOF, all references to "Rs./Rupees/Re/Rupee/INR" are references to the official currency of Republic of India.
- In this LOF, any discrepancy in any table between the total and sums of the amounts listed are due to rounding off and/ or regrouping.

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1. ABBREVIATIONS / DEFINITIONS

Particulars	Details / Definitions
Acquirer	Mr. Murzash Sohrab Manekshana
Authorized Share Capital	Rs. 50,00,000/- (Rupees fifty lakhs only) comprising of 5,00,000 Equity Shares of Rs. 10/- (Rupees ten only) each
Board	The Board of Directors of the Target Company
Book Value per Share	Net Worth/Number of Equity Shares issued and outstanding
BSE	BSE Limited
Business Day	Any day other than a Saturday, Sunday or any day on which banks in India or SEBI are permitted to be closed.
Buying Broker	KJMC Capital Market Services Limited, having its office at 168, 16 th Floor, Atlanta, Nariman Point, Mumbai 400 021, i.e. the broker appointed by the Acquirer for this Offer through whom the purchases and settlement of the Offer Shares tendered under the Offer shall be made
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The Companies Act, 1956, and subsequent amendments thereto
Companies Act, 2013	The Companies Act, 2013, and subsequent amendments thereto
Depositories	NSDL and CDSL
DLOF	Draft Letter of Offer dated September 21, 2018 submitted to SEBI for its observations
DPS	Detailed Public Statement published in the newspapers on September 15, 2018
ECS	Electronic Clearing Service
EPS / Earnings Per Share	Profit (Loss) after Tax / Weighted average no. of Equity Shares
Escrow Bank	ICICI Bank Limited
Equity Shares	Fully Paid-up Equity Shares of the Target Company of face value of Rs. 10/- (Rupees ten only) each
FEMA	Foreign Exchange Management Act, 1999, and subsequent amendments thereto
FOA or Form of Acceptance	Form of Acceptance – cum – Acknowledgment
Identified Date	November 16, 2018 i.e. date falling on the 10th (tenth) Working Day prior to the commencement of the Tendering Period, for the purpose of determining the names of the shareholders as on such date to whom the LOF would be sent

IFSC	Indian Financial System Code
LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subsequent amendments thereto
LOF	Letter of Offer
Manager to the Offer	KJMC Corporate Advisors (India) Limited having its office at 162, 16 th Floor, Atlanta, Nariman Point, Mumbai – 400 021
NBFC	Non-Banking Financial Company
NBFC Directions	Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016
Networth	Equity share capital + Free Reserves (excluding Revaluation Reserves) – Debit Balance in Profit & Loss A/c – Miscellaneous Expenditure not written off
NECS	National Electronic Clearance Service
NEFT	National Electronic Funds Transfer
NRI(s)	Non-Resident Indian as defined under Foreign Exchange Management (Deposit) Regulations, 2000 and subsequent amendments thereto
NSDL	National Securities Depository Limited
OCB	Overseas corporate body, as defined under Foreign Exchange Management (Deposit) Regulations, 2000 and subsequent amendments thereto
Offer Period	The period between the date on which the PA was made (i.e. on September 7, 2018) and the date on which the payment of consideration to the Public Shareholders whose Equity Shares are validly accepted in this Offer, is made, or the date on which this Offer is withdrawn, as the case may be
Offer Price	Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six Only) per Equity Share, payable in cash
Offer Size	Upto 81,920 Equity Shares representing 26.00% of the Paid-up Equity Share Capital at a price of Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six only) per Equity Share aggregating to Rs. 1,35,79,060/- (Rupees one crore thirty-five lakhs seventy-nine thousand and sixty only)
Offer/Open Offer	Cash offer being made by the Acquirer to the Public Shareholders of the Target Company to acquire upto 81,920 Equity Shares of Rs. 10/- (Rupees ten only) each, representing 26.00% of the Paid-up Equity Share Capital of the Target Company at a price of Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six only) per Equity Share aggregating to Rs. 1,35,79,060/- (Rupees one crore thirty-five lakhs seventy-nine thousand and sixty only)
PA	Public Announcement dated September 7, 2018 made by the Manager to the Offer on behalf of the Acquirer in accordance with the SAST Regulations and filed with SEBI, BSE and Target Company
Paid-up Equity Share Capital of the Target Company	Rs. 31,50,740/- (Rupees thirty-one lakhs fifty thousand seven hundred and forty only) comprising of 3,15,074 Equity Shares of Rs. 10/- (Rupees ten only) each of the Target Company
PAN	Permanent Account Number
PAT	Profit After Tax
Persons eligible to participate in the Offer	All owners (registered and unregistered) of Equity Shares of the Target Company except the parties to the Share Purchase Agreement
Public Shareholders	All the public shareholders of the Target Company excluding the parties to the SPA or persons deemed to be acting in concert with these parties pursuant to and in compliance with the SAST Regulations
RBI	Reserve Bank of India
Registrar to the Offer	Bigshare Services Private Limited having its office at 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059
Return on Net Worth	Profit After Tax/Net Worth
RTGS	Real Time Gross Settlement
Sale Shares	1,79,963 Equity Shares of Rs. 10/- (Rupees Ten Only) each, at a price of Rs.

	105/- (Rupees one hundred and five only) per Equity Share, forming part of the SPA
SCRA	Securities Contract (Regulation) Act, 1956 and subsequent amendments thereto
SCRR	Securities Contract (Regulation) Rules, 1957 and subsequent amendments thereto
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SAST Regulations/ Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Seller 1	Ms. Rita Pavankumar
Seller 2	Sanwarmal Pavankumar HUF
Seller 3	Resham Resha Private Limited
Seller 4	SM Sheti Seva Private Limited
Sellers	Seller 1, Seller 2, Seller 3 and Seller 4, taken together
Selling Broker	The respective stock brokers of the Public Shareholders through whom Equity Shares shall be tendered under this Offer
SPA or Agreement	Share Purchase Agreement dated September 7, 2018 entered into between the Acquirer and the Sellers
Target Company	Dalal Street Investments Limited
Tendering Period	Period commencing from December 4, 2018 to December 17, 2018
TRS	Transaction Registration Slip
Working Day	Working day of SEBI

Note: All Terms beginning with a Capital Letter used in this LOF, and not specifically defined herein, shall have the meanings ascribed to them in the SAST Regulations.

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE FILING OF THE DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE PUBLIC SHAREHOLDERS OF DALAL STREET INVESTMENTS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KJMC CORPORATE ADVISORS (INDIA) LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 21, 2018 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMEDEMMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER:

3.1. Background of the Offer:

3.1.1. This Offer is a mandatory offer being made by the Acquirer to the Public Shareholders of the Target Company in accordance with Regulations 3(1) and 4 of the SAST Regulations as a result of the execution of the SPA entered into by and between the Acquirer and the Sellers to acquire 1,79,963 Equity Shares representing 57.12% of the total outstanding issued and fully Paid-up Equity Share Capital of the Target Company, and upto a maximum of 81,920 Equity Shares representing 26.00% of the fully Paid-up Equity Share Capital of the Target Company, depending upon the Equity Shares validly tendered and accepted in the Offer.

3.1.2. On September 7, 2018, the Acquirer has entered into a SPA with the Sellers, being the promoters of the Target Company, pursuant to which, the Sellers have agreed to sell the Sale Shares and the Acquirer has agreed to purchase the Sale Shares being 1,79,963 Equity Shares representing 57.12% of the total outstanding issued and fully Paid-up Equity Share Capital of the Target Company. The total consideration payable by the Acquirer to the Sellers for the purchase of the shares is Rs. 1,88,96,115/- (Rupees one crore eighty-eight lakhs ninety-six thousand one hundred and fifteen only) i.e., at the rate of Rs. 105/- (Rupees one hundred and five only) per Equity Share. The consideration for the above shares shall be paid in cash by the Acquirer. The acquisition will result in the change in control and management of the Target Company.

3.1.3. With reference to and as on the date of the SPA, the details of the shareholding of the Sellers are as follows:

Sl. No.	Name of the Seller	Nature of Entity	Shares / Voting Rights held			
			Prior to the transaction		Post the transaction	
			Number	%	Number	%
1	Ms. Rita Pavankumar	Individual; Promoter	1,320	0.42%	0	0
2	Sanwormal Pavankumar HUF	Hindu Undivided Family; Promoter	542	0.17%	0	0
3	Resham Resha Private Limited *	Private Limited Company; Promoter	90,601	28.76%	0	0
4	SM Sheti Seva Private Limited **	Private Limited Company; Promoter	87,500	27.77%	0	0

None of the Sellers have been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any of the regulations made thereunder.

Note:

* Resham Resha Private Limited has its registered address at 6-C Sindhu House, Nanabhai Lane, Flora Fountain, Fort Mumbai 400001 and its Directors are Mr. Vikas Pavankumar, Mr. Harinarayan Gangaram Murarka and Ms. Vidhi Pavankumar. Its CIN is U17120MH1968PTC014036.

** SM Sheti Seva Private Limited has its registered address at 5-C Sindhu House, Nanabhai Lane, Flora Fountain, Fort, Mumbai 400001 and its Directors are Ms. Rita Pavankumar, Mr. Vikas Pavankumar, Mr. Harinarayan Gangaram Murarka and Ms. Vidhi Pavankumar. Its CIN is U15100MH1975PTC018191.

- 3.1.4. Accordingly, upon completion of the sale and purchase of the Sale Shares under the SPA, the Sellers will not hold any shares in the Target Company.
- 3.1.5. Some of the salient features of the SPA are as under:
- 3.1.5.1. The object of acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company. The Acquirer reserves the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be carried out, will be in accordance with the laws applicable. The Acquirer may reorganize and/or streamline existing businesses or carry on additional businesses for commercial reasons and operational efficiencies.
- 3.1.5.2. The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of Regulation 9(1)(a) of the SAST Regulations.
- 3.1.5.3. There is no non-compete fee in the SPA.
- 3.1.5.4. There is no separate arrangement for the proposed change in control of the Target Company.
- 3.1.6. The acquisition of the Equity Shares of the Target Company by the Acquirer pursuant to the SPA is subject of certain conditions precedent as provided in the SPA. They are as under:
- 3.1.6.1. The Acquirer shall have complied with their obligations under the SPA and applicable Law including the SAST Regulations with respect to the Open Offer.
- 3.1.6.2. The Acquirer and the Sellers shall have obtained the requisite corporate approvals for the execution, delivery and performance of the SPA.
- 3.1.6.3. Execution of a Power of Attorney by the Sellers in favour of Acquirer in a form and manner acceptable to the Acquirer.
- 3.1.6.4. Execution of a Power of Attorney by the Acquirer in favour of Mr. Vikas Pavankumar, in a form and manner acceptable to the Sellers.
- 3.1.6.5. Each Seller shall have obtained a certificate from chartered accountant confirming that all the said Seller have settled all dues and paid all penalties as applicable under the Income Tax Act, 1961.
- 3.1.7. At the time of the execution of the SPA, the Target Company was registered as a non-deposit taking non-banking financial company, and accordingly, the approval of the RBI under the Non-Banking Financial Company – Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 ("**NBFC Directions**") was required for the consummation of the transactions envisaged therein. Accordingly, receipt of such approval was a condition precedent to be complied with by the Sellers for the closing of the transactions contemplated in the SPA. However, as the Certificate of Registration of the Target Company was cancelled by the RBI vide Order dated September 11, 2018 and vide Notice 440.49 / 13.27.002/2018-19 dated October 1, 2018, this condition precedent has been waived by the Acquirer, in terms of the SPA, by way of a Letter of Waiver dated October 17, 2018.
- 3.1.8. There is no PAC with the Acquirer within the meaning of Regulation 2(1)(q) of the SAST Regulations.

- 3.1.9. The Offer is not pursuant to any open market purchase or as a result of global acquisition resulting in indirect acquisition of the Target Company.
- 3.1.10. The Acquirer, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other regulations made thereunder.
- 3.1.11. As on date of this LOF, none of the persons forming part of the Board of Directors of the Target Company represent the Acquirer. The Acquirer does not have any nominee directors or representatives on the Board as on the date of this LOF. As a result of the execution of the SPA, the Acquirer has the right to re-constitute the Board during the Offer Period, subject to compliance with the provisions of Regulation 24 of the SAST Regulations and the Companies Act, 2013.
- 3.1.12. The recommendations of the committee of Independent Directors, as constituted by the Board of Directors of the Target Company on the Offer, will be published at least two Working Days before the commencement of the Tendering Period, i.e., on November 30, 2018 in the same newspapers where the DPS was published and simultaneously a copy of such recommendation will be sent to SEBI, BSE and to the Manager to the Offer.

3.2. Details of the Open Offer

- 3.2.1. The PA, in terms of Regulations 3(1) and 4 of SAST Regulations, in connection with the Offer was issued by the Manager on behalf of the Acquirer on September 7, 2018 and filed with the BSE through letter dated September 7, 2018 and a copy thereof was also filed with SEBI and the Target Company at its registered office through letters dated September 7, 2018 in terms of Regulation 14(2) of the SAST Regulations.
- 3.2.2. In accordance with Regulation 14(3) of SAST Regulations, the DPS was published on September 15, 2018 in the following newspapers as under:

Newspaper	Language	Edition
Financial Express	English	All editions
Jansatta	Hindi	All editions
Mumbai Lakshadeep	Marathi	Mumbai
Loksatta	Marathi	Pune

- 3.2.3. The PA and the DPS are also available on the website of SEBI (<http://www.sebi.gov.in>).
- 3.2.4. This Open Offer is being made in accordance with Regulations 3(1) and 4 of the SAST Regulations as a result of the execution of the SPA entered into by and between the Acquirer and the Sellers to acquire 1,79,963 Equity Shares representing 57.12% of the total outstanding issued and fully Paid-up Equity Share Capital of the Target Company, and upto a maximum of 81,920 Equity Shares representing 26.00% of the fully Paid-up Equity Share Capital of the Target Company, depending upon the Equity Shares validly tendered and accepted in the Offer.
- 3.2.5. The Offer is being made at a price of Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six only) per Equity Share and will be paid in cash by the Acquirer, in accordance with the provisions of regulation 9(1)(a) of the SAST Regulations subject to the terms and conditions set out in the PA, DPS and LOF.

- 3.2.6. If the number of Equity Shares validly tendered by the Public Shareholders under this Open Offer is more than the size of the Open Offer the Acquirer shall proportionately accept the Equity Shares received from the Public Shareholders.
- 3.2.7. Pursuant to completion of the Open Offer (assuming full acceptance), the Acquirer would hold a maximum of 2,61,883 Equity Shares constituting 83.12% of the Paid-up Equity Share Capital of the Target Company (fully diluted basis) of the Target Company.
- 3.2.8. The payment of consideration shall be made to all the Public Shareholders, who have validly tendered their Equity Shares in acceptance of the Open Offer, within 10 (ten) Working Days from the date of expiry of the tendering period i.e., December 17, 2018. Credit for consideration will be paid to the Public Shareholders who have tendered shares in the Open Offer through ECS/RTGS/NEFT or by crossed account payee cheques/ demand drafts and will be credited to the first shareholder's saving/current account.
- 3.2.9. This Open Offer is being made to all the Public Shareholders of the Target Company. The Acquirer will acquire all the Equity Shares of the Target Company that are validly tendered as per the terms of the Open Offer as stated in the LOF, subject to a maximum of 81,920 Equity Shares being 26.00% of the Equity Share Capital of the Target Company. In the case of over subscription in the Offer, acceptance would be determined on a proportionate basis and hence there is no certainty that all the Equity Shares tendered by the Public Shareholder(s) in the Open Offer will be accepted.
- 3.2.10. The Open Offer is not conditional and is not subject to any minimum level of acceptance in terms of Regulation 19(1) of the SAST Regulations.
- 3.2.11. The Acquirer will have the right not to proceed with this Offer in accordance with Regulation 23 of the SAST Regulations in the event the statutory approvals as disclosed in paragraph 7.3 of this LOF are refused. In case of either of such events, this Offer shall stand withdrawn. In the event of such withdrawal, a public announcement will be made, within two Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to SEBI, BSE and to the Target Company at its registered office.
- 3.2.12. The Acquirer has neither acquired nor been allotted any Equity Shares of the Target Company during the 52 weeks period prior to the date of the PA.
- 3.2.13. This is not a competing offer in terms of Regulation 20 of the SAST Regulations.
- 3.2.14. There is no differential pricing for this Offer.
- 3.2.15. As on the date of this LOF, there are no partly paid-up Equity Shares, outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares.
- 3.2.16. The Equity Shares of the Target Company will be acquired by the Acquirer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 3.2.17. As on the date of the LOF, the Acquirer has not acquired any Equity Shares after the date of PA.
- 3.2.18. In terms of Regulation 38 of LODR Regulations, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. In accordance with the LODR Regulations, the present Offer after considering the SPA and the Open Offer may result in the public shareholding of the Target Company falling below the minimum level required as per the LODR Regulations for the purpose of listing on a continuous basis. The Acquirer undertakes to take

necessary steps to facilitate compliance of the Target Company with the relevant provisions of the LODR Regulations and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by BSE.

3.2.19. As on the date of the PA and/or the DPS and/or the LOF, the Manager to the Offer does not hold any Equity Shares of the Target Company. Further, the Manager to the Offer will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.

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

3.3.1. The object of acquisition is to acquire substantial shares/voting rights accompanied with change in management and control of the Target Company. The Acquirer may intend to seek a reconstitution of the Board of Directors of the Target Company in compliance with Regulation 24(1) of the SAST Regulations.

3.3.2. The Acquirer may alienate any material assets of the Target Company whether by sale, lease, encumbrance or otherwise outside the ordinary course of business of the Target Company in accordance with applicable laws.

3.3.3. The Acquirer reserves the right to streamline/restructure, pledge/encumber its holding in the Target Company and/or the operations, assets, liabilities and/or businesses of the Target Company and/or its subsidiary through arrangements, reconstructions, restructurings, mergers (including but not limited to merger with or between its subsidiary), demergers, sale of assets or undertakings and/or re-negotiation or termination of existing contractual/operating arrangements, at a later date in accordance with applicable laws. Such decisions will be taken in accordance with procedures set out under the applicable laws, pursuant to business requirements and in line with opportunities or changes in economic circumstances, from time to time.

4. **BACKGROUND OF THE ACQUIRER**

4.1. The Acquirer is an individual. He is the son of Mr. Sohrab Homi Manekshana. He is aged 46 years and resides at 402, Odyssey II, Orchard Avenue, Hiranandani Garden, Powai, Mumbai – 400 076. The Acquirer holds a Bachelor's Degree in Commerce from University of Mumbai and is a qualified Chartered Accountant.

4.2. The Acquirer is Deputy Managing Director of MEP Infrastructure Developers Limited (listed on BSE and the National Stock Exchange of India Limited (NSE)). He has over 2 (two) decades of work experience including key leadership roles and entrepreneur roles across different industries. As on date of the DPS, the Acquirer is also on the Board of Directors of Altamount Capital Management Private Limited.

4.3. The Networth of the Acquirer is Rs. 1758.90 lakhs (Rupees one thousand seven hundred and fifty-eight lakhs and ninety thousand only) as on August 15, 2018, as certified by Mr. S. Raghunath of M/s. S. Raghunath & Co. and Co., Chartered Accountants (Membership No: 034610) having their office at 3/8, Surya Niwas CHS., Colony Road, Next to Axis Bank, Sion (West), Mumbai – 400 022, vide certificate dated September 6, 2018.

4.4. The other entities promoted / controlled / managed by the Acquirer are as under:

Sl. No.	Name of the entity	Designation
1	Boogie Ventures Private Limited	Promoter
2	Jhingo Capital Management Private Limited	Promoter

- 4.5. None of the entities promoted or controlled by the Acquirer as mentioned above are either participating or acting as PAC in this Open Offer and are not listed on any of the stock exchanges.
- 4.6. There is no PAC with the Acquirer.
- 4.7. The Acquirer is not part of any group.
- 4.8. The Acquirer is not related to the Promoter and Promoter Group of the Target Company in any manner.
- 4.9. As on the date of this LOF, the Acquirer does not hold any Equity Shares of the Target Company and the Acquirer does not have any interest in the Target Company.
- 4.10. The Acquirer has never held any Equity Shares in the Target Company and therefore the relevant provisions of Chapter II of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and Chapter V of the SAST Regulations are not applicable.
- 4.11. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under Section 11B of the SEBI Act or under any other regulations framed thereunder.
- 4.12. The Acquirer is not categorized as "wilful defaulter" in terms of Regulation 2(1)(ze) of the SAST Regulations and complies with Regulation 6A of the SAST Regulations.
- 4.13. The Acquirer has not entered into any non-compete arrangement and/or agreement with the Sellers.
- 4.14. There are no persons on the Board of the Target Company, representing the Acquirer.
- 4.15. There are no pending litigations against the Acquirer.

5. BACKGROUND OF THE TARGET COMPANY

- 5.1. Dalal Street Investments Limited (CIN: L65990PN1977PLC141282) i.e. the Target Company is a public limited company incorporated on November 18, 1977 as Dalal Street Investments Limited in Mumbai under the Companies Act, 1956 and obtained Certificate of Commencement of business on December 28, 1977. The Target Company was registered as a Non-Banking Financial Company with the Reserve Bank of India ("RBI") under Certificate of Registration No. 13.00567 dated March 31, 1998. There has been no change in the name of the company since incorporation.

The RBI vide Order dated September 11, 2018 and vide Notice 440.49 / 13.27.002/2018-19 dated October 1, 2018 cancelled the Certificate of Registration of the Company and the Target Company is now no longer a Non-Banking Financial Company.

- 5.2. The Registered Office of the Target Company, at the time of incorporation, was situated at Bhupen Chambers, Dalal Street, Bombay – 400 023. The Registered Office was shifted from the above address to 65, Nariman Bhavan, 6th Floor, Nariman Point, Bombay – 400 021 with effect from June 1, 1983. The registered office address was again changed to 68B, Nariman Bhavan, 6th Floor, 227,

Nariman Point, Mumbai 400 021 with effect from February 21, 2010. The Registered Office was shifted from the above address to Vishnu Smriti Apartment, 425/35 TMV Colony, Gultekadi, Pune 411 037 with effect from September 29, 2011. At present the registered office address of the Company is at 301, Chintamani Apartments, 1478, Sadashiv Peth, Tilak Road, Pune – 411 030 with effect from August 14, 2018.

- 5.3. The Target Company made a public offer of 49,993 Equity Shares of Rs. 10/- (Rupees ten only) each for cash at Par in February – March 1978 and the equity shares of the Target Company are listed on the BSE since March 28, 1978. The Equity Shares of the Target Company are listed on the BSE (Scrip Code: 501148). The Target Company made a Rights Issue of equity shares in August – September 1983 comprising of 1,75,000 equity shares of Rs. 10/- (Rupees ten only) each, at Par, in the ratio of 7:2, i.e. 7 equity shares for every 2 equity shares held, and the said equity shares of the Target Company were listed on the BSE with effect from November 15, 1983. Thereafter, the Target Company made a Rights Issue to non-promoter shareholders in July 2013 comprising of 90,074 equity shares of Rs. 10/- each, at Par, in the ratio of 2:1, i.e. 2 equity shares for every 1 share held, and the listing and trading permission for the said equity shares of the Target Company was received on July 26, 2013.
- 5.4. The Equity Shares, listed on the BSE (Scrip Code: 501148), are frequently traded in terms of Regulation 2(1)(j) of the SAST Regulations.
- 5.5. The trading of the Equity Shares of the Target Company is not suspended from trading on BSE. The ISIN of the equity shares of the Target Company is INE422D01012.
- 5.6. The Target Company is engaged in the business of trading and investment in shares and securities.
- 5.7. The Authorized Equity Share Capital of the Company is Rs. 50,00,000/- (Rupees fifty lakhs only) comprising of 5,00,000 Equity Shares of Rs. 10/- (Rupees ten only) each. The Paid-Up Equity Share Capital of the Target Company is as follows:

Paid up Equity Shares	No. of Equity Shares / Voting Rights	Percentage (%) of Equity Shares/ voting rights
Fully paid up Equity Shares	3,15,074	100%
Partly paid up Equity Shares	Nil	Nil
Total paid up Equity Shares	3,15,074	100%
Total voting rights in Target Company	3,15,074	100%

- 5.8. The present Promoter and Promoter Group of the Target Company consists of Ms. Rita Pavankumar, Sanwormal Pavankumar HUF, Resham Resha Private Limited and SM Sheti Seva Private Limited. All the present promoters of the Target Company, namely, Ms. Rita Pavankumar, Sanwormal Pavankumar (HUF), Resham Resha Private Limited and SM Sheti Seva Private Limited, i.e. the Sellers, are part of the sellers under the SPA.
- 5.9. The details of the Board of Directors of the Target Company as of the date of this LOF are provided below:

Name of the Director	Designation	DIN	Date of Appointment
Rita Pavankumar	Executive Director/ Promoter	00322476	29/10/1998
Vikas Pavankumar	Executive Director/ Compliance Officer	00323118	01/11/2017
Sudhir Shankar Bandiwadekar	Non-executive Director/ Independent Director	00323282	11/08/2014
Vijay Kumudchandra Pandya	Non-executive Director/ Independent Director	06972614	13/11/2014

5.10. There is no representative of the Acquirer on the Board of Directors of the Target Company prior to the Offer.

5.11. There has been no merger/de-merger/spin-off involving the Target Company in the last 3 years, preceding the date of this LOF.

5.12. The Target Company does not have any subsidiary or holding company as on the date of the LOF.

5.13. The Target Company has no Equity Shares that are locked-in as of the date of this LOF.

5.14. Brief audited financial information of the Target Company for the financial years ended March 31, 2018, March 31, 2017 and March 31, 2016 and the Limited Review financial information for the Half year ended September 30, 2018 are as under:

(Rs. in lakhs, unless stated otherwise)

Particulars	Limited Review for the Half year ended September 30, 2018	For the Financial Year ended		
		March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
Total Revenue	42.60	1,378.08	71.03	79.36
Net Income Profit /(Loss) After Tax	33.52	882.52	(5.99)	(205.93)
EPS (Basic & Diluted) (Rs.)	19.73	280.10	(1.90)	(65.36)
Net worth / Shareholders' Fund	253.22	219.71	(662.81)	(656.82)

5.15. The Brief Financials of Target Company are as given under:

Profit & Loss Statement

(Rs. in lakhs, unless stated otherwise)

Particulars	Limited Review for the Half year ended September 30, 2018	For the Financial Year ended		
		March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
Income from operations	42.57	366.93	-	-
Other Income	0.03	1,011.15	71.03	79.36

Particulars	Limited Review for the Half year ended September 30, 2018	For the Financial Year ended		
		March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
Total income	42.60	1,378.08	71.03	79.36
Total expenditure (excluding depreciation and interest)	9.08	200.86	9.76	217.89
Profit / (Loss) before depreciation interest and tax	33.52	1,177.22	61.27	(138.53)
Depreciation	-	-	-	-
Interest / Finance costs	-	36.45	67.26	67.36
Profit / (Loss) Before Tax (excluding exceptional items)	33.52	1,140.77	(5.99)	(205.88)
Exceptional Items	-	-	-	-
Provision for Tax	-	258.25	-	(0.05)
Profit / (Loss) After Tax	33.52	882.52	(5.99)	(205.93)

Balance Sheet Statement

(Rs. in lakhs, unless stated otherwise)

Particulars	Limited Review for the Half year ended September 30, 2018	For the Financial Year ended		
		March 31, 2018 (Audited)	March 31, 2017 (Audited)	March 31, 2016 (Audited)
Sources of Funds				
Paid up equity share capital	31.50	31.50	31.50	31.50
Reserves and surplus (excluding revaluation reserves)	221.71	188.20	(694.32)	(688.32)
Net worth	253.22	219.70	(662.82)	(656.82)
Non-Current Liabilities	293.25	35.00	946.37	943.75
Current Liabilities	-	295.95	68.06	68.46
Total	546.47	550.65	351.62	355.39
Uses of Funds				
Net Fixed Assets	0.27	0.27	0.27	0.27
Non-Current Investments	177.28	157.42	161.80	176.18
Other Non-Current Assets	297.02	32.96	153.76	144.03
Current Assets	71.90	360.00	35.79	34.91
Total miscellaneous expenditure not written off	-	-	-	-
Total	546.47	550.65	351.62	355.39
Other Financial Data				
Dividend (%)	-	-	-	-
Earnings Per Share (Basic & Diluted)	19.73	280.10	(1.90)	(65.36)
Return On Net Worth (%)	NA	401.69	(0.9)	(31.35)
Book Value Per Share	80.38	69.73	(210.37)	(208.46)

NA = Not Available

$Net\ worth = Equity\ share\ capital + Free\ Reserves\ (excluding\ Revaluation\ Reserves) - Debit\ Balance\ in\ Profit\ \&\ Loss\ A/c - Miscellaneous\ Expenditure\ not\ written\ off$
 $EPS = Profit/(Loss)\ after\ Tax / Weighted\ average\ no.\ of\ equity\ shares\ outstanding$
 $Return\ on\ Net\ Worth = Profit/(Loss)\ after\ Tax / Net\ Worth$
 $Book\ Value\ per\ Share = Net\ Worth / No.\ of\ equity\ shares\ issued\ and\ outstanding$
 (Source: Audited Financial Reports for FY 2016, FY2017, FY 2018 and Limited Review results for the Half Year ended September 30, 2018)

5.16. Pre and Post Offer shareholding pattern of Target Company as on the date of LOF is as given under:

Shareholders Category	Shareholding and voting rights prior to the SPA/ acquisition and Offer		Shares / voting rights agreed to be acquired which triggered off the Offer		Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Share holding / voting rights after the acquisition and Offer	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No	%	No	%	No	%
1. Promoter & Promoter Group								
(a) Parties to SPA								
Sanwormal Pavankumar (HUF)	542	0.17	(542)	0.17				
Rita Pavankumar	1,320	0.42	(1,320)	0.42				
Resham Resha Pvt. Ltd	90,601	28.76	(90,601)	28.76				
SM Sheti Seva Private Limited	87,500	27.77	(87,500)	27.77				
(b) Promoters other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total 1(a+b)	1,79,963	57.12	(1,79,963)	(57.12)	Nil	Nil	Nil	Nil
2. Acquirer								
(a) Mr. Murzash Sohrab Manekshana	-	-	1,79,963	57.12	81,920	26.00	2,61,883	83.12
(b) PACs	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Total 2(a+b)	-	-	1,79,963	57.12	81,920	26.00	2,61,883	83.12

Shareholders Category	Shareholding and voting rights prior to the SPA/ acquisition and Offer		Shares / voting rights agreed to be acquired which triggered off the Offer		Shares/ voting rights to be acquired in Offer (assuming full acceptances)		Share holding / voting rights after the acquisition and Offer	
(3) Parties to the SPA other than (1)(a) & (2)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
(4) Public (other than parties to the SPA, Acquirer & PACs)								
(a) Fls/MFs/FIIs/Banks, SFIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
(b) Others (787 shareholders)	1,35,111	42.88	-	-	(81,920)	(26.00)	53,191	16.88
Total (4) (a+b)	1,35,111	42.88	-	-	(81,920)	(26.00)	53,191	16.88
Grand Total (1+2+3+4)	3,15,074	100.00	1,79,963	57.12	81,920	26.00	3,15,074	100.00

No. of Shareholders in each category will depend on the response from each category.

- There are no PACs with the Acquirer in this Open Offer.
 - The data within brackets indicates sale of equity shares.
 - In case of full acceptance in the Offer, the shareholding of the Acquirer will be 1,79,963 Equity Shares representing 57.12% of the fully Paid-up Equity Share Capital of the Target Company from the Sellers pursuant to the SPA and 81,920 Equity Shares of the Target Company from the Public Shareholders constituting 26.00% of the fully Paid-up Equity Share Capital pursuant to the Offer. Consequently, the shareholding of the Acquirer in the Target Company will exceed the maximum permissible non-public shareholding, and the Acquirer, in terms of Regulation 7(4) of the SAST Regulations, shall be required to bring down the non-public shareholding to the level specified and within the time permitted under the LODR Regulations and the SCRR.
- 5.17. As per the shareholding pattern for quarter ended September 30, 2018 filed with BSE, the number of shareholders of the Target Company in public category is 787 (seven hundred and eighty seven only).
- 5.18. SEBI has issued a Show Cause Notice No. EAD/BJD/NJMR/7049/2018 dated March 6, 2018 to the Target Company whereby it has been alleged that the Target Company has not complied with the provisions of Clause 35 of the Listing Agreement and would therefore be liable for monetary penalty under Section 23H of the SCRA. The Target Company had filed a Settlement Application with SEBI under the provisions of SEBI (Settlement of Administrative and Civil Proceedings) Regulations, 2014 with respect to the same, which has now been rejected.

6. OFFER PRICE & FINANCIAL ARRANGEMENTS

6.1. Justification for Offer Price

- 6.1.1. The Offer is direct acquisition of Equity Shares pursuant to the execution of the SPA between the Sellers and the Acquirer.

6.1.2. The Equity Shares of the Target Company are listed on the BSE. The Equity Shares are placed under Group “XT” and have a Scrip Code of 501148 and are not suspended from trading on the BSE. The ISIN of the Equity Shares of the Target Company is INE422D01012.

6.1.3. The total number of Equity Shares of the Target Company traded on BSE for a period of 12 (twelve) calendar months preceding the calendar month in which the PA is made (i.e., from September 1, 2017 to August 31, 2018, both days included) is set out below:

Stock Exchange	Total number of Equity Shares traded during the twelve calendar months prior to the month of PA (A)	Total number of listed Equity Shares during this period (B)	Trading turnover (as a percentage of total listed equity Shares) (A/B)
BSE	66,886	3,15,074	21.23%

Source: www.bseindia.com.

6.1.4. Based on the above information, the Equity Shares of the Target Company are frequently traded shares within the meaning of Section 2(1)(j) of the SAST Regulations.

6.1.5. The Offer Price of Rs. 165.76 /- (Rupees one hundred and sixty-five and Paise seventy-six only) is justified in terms of Regulation 8 of the SAST Regulations being the highest of the following:

Sr. No.	Particulars	Price
(a)	Highest Negotiated Price per Equity Share for any acquisition in terms of the SPA attracting the obligation to make the PA	105.00
(b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the 52 weeks immediately preceding the date of the PA	Not Applicable
(c)	The highest price paid or payable for any acquisition whether by the Acquirer or by any person acting in concert with him, during the 26 weeks immediately preceding the date of the PA	Not Applicable
(d)	The volume weighted average market price of such Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the stock exchange where maximum volume of trading in the Equity Shares are recorded during such period i.e. BSE	165.76

6.1.6. Based on the above information, the Manager to the Offer and the Acquirer confirms that the offer price of Rs. 165.76 /- (Rupees one hundred and sixty-five and Paise seventy-six only) per fully Paid-up Equity Share is justified in terms of Regulation 8(2) of SAST Regulations.

6.1.7. There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SAST Regulations (Source: Based on the filings available on the BSE website at www.bseindia.com). The Offer price may be revised in the event of corporate actions like bonus issue, rights issue, split etc. where the record date for effecting such corporate action falls within 3 Working Days prior to the commencement of the Tendering Period.

6.1.8. As on date of this LOF, there has been no revision in the Offer Price or Offer Size. If there is any revision in the Offer Price on account of future purchases or competing offers, such revision will be done only up to the period prior to 1 Working Day before the commencement of the Tendering Period of this Offer in accordance with Regulations 18(4) and 18(5) of the SAST Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increase to the escrow amount; (ii) make a public announcement in the same newspapers in which DPS has been published; and (iii) simultaneously with the issue of such announcement, inform SEBI, BSE and the Target Company

at its registered office of such revision. The revised Offer Price would be paid to all the Public Shareholders whose Equity Shares are accepted under the Offer.

- 6.1.9. In the event of further acquisition of Equity Shares of the Target Company by the Acquirer during the Offer Period, by purchase of Equity Shares of the Target Company at a price higher than the Offer Price, then the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the SAST Regulations. However, the Acquirer shall not be acquiring any Equity Shares of the Target Company after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 6.1.10. If the Acquirer acquires Equity Shares of the Target Company during the period of twenty-six weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer as per the SAST Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchange, not being negotiated acquisition of shares of the Target Company whether by way of bulk / block deals or in any other form.

6.2. FINANCIAL ARRANGEMENTS

- 6.2.1. The total fund requirement for the acquisition of 81,920 Equity Shares (assuming full acceptance of the Open Offer) being 26.00% of the issued, subscribed and Paid-up Equity Share capital of the Company at Rs. 165.76 (Rupees one hundred and sixty-five and Paise seventy-six only) per share is Rs. 1,35,79,060/- (Rupees one crore thirty-five lakhs seventy-nine thousand and sixty only) ("**Maximum Open Offer Consideration**").
- 6.2.2. The Acquirer has adequate resources and has made firm financial arrangements for financing the acquisition of the Equity Shares under this Offer, in terms of Regulation 25(1) of the SAST Regulations. Mr. S. Raghunath of M/s S. Raghunath and Co., Chartered Accountants (Membership No: 34610), having their office at 3/8 Surya Niwas CHS., Colony Road, Next to Axis Bank, Sion (West), Mumbai 400022, vide certificate dated September 6, 2018 has certified that the Acquirer has adequate and firm financial resources to fulfill the financial obligations under this Open Offer.
- 6.2.3. The Acquirer, in compliance with regulation 17(1) of the SAST Regulations, has opened an Escrow Account with ICICI Bank Limited having its branch at ICICI Bank Limited, Capital Markets Division, 1st Floor, 122, Mistry Bhavan, Dinshaw Vachha Road, Backbay Reclamation, Churchgate, Mumbai – 400 020 in the name and style as "**Murzash Manekshana – Open Offer – Escrow Account**" bearing Account Number 000405117331 ("**Escrow Account**"). The Acquirer has deposited Rs. 1,00,00,000/- (Rupees one crore only) in cash in the Escrow Account, as certified by ICICI Bank Limited vide letter dated September 12, 2018, which is more than 25% of the value of Maximum Consideration payable under the Offer (assuming full acceptances). The Manager to the Offer is duly authorized by the Acquirer to realize the value of the Escrow Account and operate the Escrow Account in terms of the SAST Regulations. The Acquirer has confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Open Offer. The Acquirer has authorized the Manager to operate the Escrow Account in compliance with Regulation 17 of the SAST Regulations.

- 6.2.4. The Manager to the Open Offer has been duly authorized by the Acquirer to realize the value of the Escrow Account in terms of SAST Regulations.
- 6.2.5. The Acquirer has adequate resources and has made firm financial arrangements for financing the acquisition of the equity shares under this Offer, in terms of regulation 25(1) of the SAST Regulations. The acquisition will be financed through internal/personal resources and no borrowings from Banks or Financial Institutions (FIs) is being made. Mr. S. Raghunath of M/s S. Raghunath and Co., Chartered Accountants (Membership No: 34610), having their office at 3/8 Surya Niwas CHS., Colony Road, Next to Axis Bank, Sion (West), Mumbai 400022, vide certificate dated September 6, 2018 has certified and confirmed that the net worth of the Acquirer to be Rs. 1758.90 lakhs (Rupees one thousand seven hundred and fifty-eight lakhs and ninety thousand only) as on August 15, 2018 and has certified that the Acquirer has adequate and firm financial resources to fulfill the financial obligations under this Open Offer.
- 6.2.6. In case of any upward revision in the Offer Price, the Acquirer shall make further deposit into the Escrow Account, prior to effecting such revision, to ensure compliance with Regulation 17(2) of the SAST Regulations.
- 6.3. Based on the above and the certificate provided by M/s. S. Raghunath & Co., Chartered Accountants, the Manager to the Open Offer is satisfied about the ability of the Acquirer to implement the Open Offer in accordance with the SAST Regulations. The Manager to the Open Offer confirms that firm arrangements for funds through verifiable means to fulfill the obligations of the Open Offer are in place.

7. TERMS & CONDITIONS OF THE OFFER

7.1. Operational Terms & Condition

- 7.1.1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on December 4, 2018 and close on December 17, 2018 both days inclusive.
- 7.1.2. The Equity Shares tendered under this Offer, by the Public Shareholders, shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirer shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 7.1.3. This is not a competing Offer in terms of Regulation 20 of the SAST Regulations and there is no stipulation on any minimum level of acceptance in terms of Regulation 19(1) of the SAST Regulations.
- 7.1.4. The Identified Date for this Offer as per the schedule of activities is November 16, 2018.
- 7.1.5. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one).
- 7.1.6. In terms of Regulation 18(9) of the SAST Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

- 7.1.7. Accidental omission to dispatch the LOF to any Public Shareholder to whom this Offer has been made or non-receipt of the LOF by any such Public Shareholder shall not invalidate this Offer in any way.
- 7.1.8. There has been no revision in the Offer Price or Offer Size as on the date of this LOF.
- 7.1.9. The Offer is subject to the terms and conditions set out in the LOF, the PA, the DPS and any other public announcement(s) that may be issued with respect to the Offer.

7.2. Eligibility for accepting the offer

- 7.2.1. The LOF shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company as on the Identified Date.
- 7.2.2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.
- 7.2.3. The PA, the DPS, the DLOF and the LOF will also be available on SEBI's website (<https://www.sebi.gov.in>). In case of non-receipt of the LOF, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the LOF from SEBI's website.
- 7.2.4. The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.2.5. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.
- 7.2.6. By accepting this offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer for the purpose of this Offer.
- 7.2.7. The Acquirer, the Manager or the Registrar to the Offer do not accept any responsibility for any loss of Equity Share certificates, Offer Acceptance Forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.2.8. Those Public Shareholders who have not received the LOF and those who apply in plain paper will not be required to provide any indemnity. They must follow the same procedure mentioned for registered shareholders.
- 7.2.9. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- 7.2.10. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards at any time prior to the commencement of 1 (one) Working Day before the commencement of the Tendering Period, i.e., up to November 29, 2018, in accordance with the SAST Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer would pay such revised price for all the Equity Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the LOF.
- 7.2.11. Any Equity Shares that are the subject matter of litigation or are held in abeyance, subject to pending court cases, attachment orders or restriction from other statutory authorities wherein the Public Shareholder may be precluded from transferring the Equity Shares during pendency of such proceedings, orders or restrictions, may be rejected if directions or orders are passed regarding the

free transferability of such Equity Shares tendered under the Open Offer prior to the closure of the Tendering Period.

- 7.2.12. Locked in Equity Shares: To the best of the knowledge of the Acquirer the Target Company has no Equity Shares that are currently locked-in. The locked-in Equity Shares, if any acquired pursuant to the agreement or offer can be transferred to the Acquirer, subject to the continuation of the residual lock-in period in the hands of the Acquirer. The Manager to the Offer ensures that there shall be no discrimination in the acceptance of locked-in and non-locked-in Equity Shares.

7.3. Statutory and other approval

- 7.3.1. There are no conditions stipulated in the SPA, meeting of which is outside the reasonable control of the Acquirer and in view of which the Offer might be withdrawn under Regulation 23 of the SAST Regulations.

- 7.3.2. As on date, to the best knowledge of the Acquirer, there are no statutory approvals required by the Acquirer to complete this Offer. However, in case of any other statutory approvals being required by the Acquirer at a later date, this Offer shall be subject to such approvals and the Acquirer shall make the necessary applications for such approvals.

- 7.3.3. In case of delay in receipt of any statutory approvals which may be required by the Acquirer at a later date, as per Regulation 18(11) of the SAST Regulations, SEBI may, if satisfied, that non-receipt of approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer agreeing to pay interest to the Public Shareholders of the Target Company for delay beyond 10 (ten) Working Days at such rate as may be specified by SEBI from time to time. Provided where the statutory approvals extend to some but not all holders of the Equity Shares, the Acquirer has the option to make payment to such holders of the Equity Shares in respect of whom no statutory approvals are required in order to complete this Offer.

- 7.3.4. If the holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs, and foreign portfolio investors/foreign institutional investors (“**FPIs**” / “**FIIIs**”)) had required any approvals (including from the RBI, the Foreign Investment Promotion Board (“**FIPB**”)) or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Equity Shares held by them in this Offer, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Equity Shares tendered in this Offer.

- 7.3.5. The Acquirer will have the right to withdraw this Offer in accordance with Regulation 23 of the SAST Regulations, in the event the statutory approvals (as indicated above) are refused for any reason outside the reasonable control of the Acquirer. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which this DPS has been published and such public announcement will also be sent to BSE, SEBI and the Target Company at its registered office.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

- 8.1. All the shareholders registered or unregistered, of the Target Company, except the Acquirer and parties to the SPA, owning Equity Shares any time before the date of Closure of the Offer, are eligible to participate in the Offer.

- 8.2. Persons who have acquired Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer.
- 8.3. The Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by BSE in the form of a separate window ("**Acquisition Window**") as provided under the SAST Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, BSE notice no. 20170202-34 dated February 2, 2017 and BSE notice no. 20170210-16 dated Feb 10, 2017.
- 8.4. BSE shall be designated stock exchange for the purpose of tendering Equity Shares in the Offer.
- 8.5. The Acquirer has appointed **KJMC Capital Market Services Limited**, i.e. the Buying Broker, for the Offer through whom the purchases and settlement of Offer shall be made during the Tendering Period. The Contact details of the Buying Broker are as mentioned below:

Name: KJMC Capital Market Services Limited

SEBI Registration No.: INB010719939

Address: 168, 16th Floor, Atlanta, Nariman Point, Mumbai 400021.

Contact Person: Mr. Aftab Kagalwalla

Tel: +91 22 4094 5500

Email: deal@kjmc.com

- 8.6. All Public Shareholders who desire to tender their Equity Shares under the Offer would have to approach their respective stock brokers ("**Selling Broker**"), during the normal trading hours of the secondary market during the Tendering Period. The Selling Broker(s) can enter orders for dematerialized Equity Shares.
- 8.7. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender their Equity Shares in the Offer using the Acquisition Window of the BSE. Before placing the bid, the concerned Public Shareholder / Selling Broker would be required to transfer the tendered Equity Shares to the special account of Clearing Corporation by using the settlement number and the procedure prescribed by the Clearing Corporation.
- 8.8. The cumulative quantity tendered shall be displayed on the BSE website throughout the trading session, at specific intervals, during the Tendering Period.
- 8.9. Modification / cancellation of orders will not be allowed during the tendering period of the Offer.
- 8.10. Public Shareholders can tender their Equity Shares only through a stock broker with whom the Public Shareholder is registered as client in compliance with the extant KYC requirements. In the event Selling Broker of the Public Shareholder is not registered with BSE then that Public Shareholder can approach the Buying Broker and tender his/her Equity Shares through the Buying Broker viz. KJMC Capital Market Services Limited.
- 8.11. Procedure for tendering shares held in Dematerialized Form**
- 8.11.1. Public Shareholders who are holding the Equity Shares in demat form and who desire to tender their Equity Shares in this Offer shall approach their respective Selling Broker indicating the details of Equity Shares they intend to tender in the Offer.
- 8.11.2. Public Shareholders shall submit Delivery Instruction Slips ("**DIS**") duly filled in specifying market type as "Open Offer" and execution date along with all other details to their respective Depository Participant/Selling Broker so that Equity Shares can be tendered in this Open Offer.

- 8.11.3. The Selling Broker shall provide early pay-in of dematerialized Equity Shares (except for custodian participant orders) to the Clearing Corporation before placing the orders and the same shall be validated at the time of order entry.
- 8.11.4. For custodian participant, an order for dematerialized Equity Shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than close of trading hours on the last day of the Offer Period. Thereafter, all unconfirmed orders shall be deemed to be rejected.
- 8.11.5. The details of settlement number for early pay-in of Equity Shares shall be informed in the issue opening circular that will be issued by BSE / Clearing Corporation, before the opening of the Offer.
- 8.11.6. Upon placing the order, the Selling Broker(s) shall provide transaction registration slip ("TRS") generated by the Exchange bidding system to the Shareholder. TRS will contain details of order submitted like Bid ID No., DP ID, Client ID, No. of Equity Shares tendered etc.
- 8.11.7. The Public Shareholders will have to ensure that they keep their depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares due to rejection or due to prorated Open Offer.
- 8.11.8. The Public Shareholders holding Equity Shares in dematerialized mode are not required to fill any Form of Acceptance. The Public Shareholders are advised to retain the acknowledged copy of the TRS till the completion of Offer Period.

8.12. Procedure to be followed by the registered Public Shareholders holding Equity Shares in physical form:

Physical shares tendered in the Offer may not be accepted in terms of SEBI notification no. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 and subsequent amendment to Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 wherein it is mandated that with effect from December 5, 2018, transfer of securities shall not be processed by listed entity unless the securities are held in the dematerialized form with a depository. In this connection, those shareholders (holding Equity Shares of the Target Company in physical form) and who are desirous of tendering their Equity Shares (which are held in physical form) in the Offer can do so only after the Equity Shares are dematerialized. In case SEBI brings any amendment to above regulation at a later date, shareholders are advised to follow that while tendering their Equity Shares in the Offer.

In this Offer, considering the timelines of activities prescribed under the SAST Regulations, the acceptance of tendered shares will be undertaken after December 5, 2018. Accordingly, the Public Shareholders who are holding Equity Shares in physical form and are desirous of tendering their Equity Shares in the Open Offer can do so only after the Equity Shares are dematerialized. Such Public Shareholders are advised to approach any Depository Participant to have their Equity Shares dematerialized.

8.13. Procedure for tendering the shares in case of non-receipt of LOF

- 8.13.1. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired Equity Shares after the Identified Date, or those who have not received the LOF, may also participate in this Offer.
- 8.13.2. A Public Shareholder may participate in the Offer by approaching their Selling Broker and tender Equity Shares in the Offer as per the procedure mentioned in the LOF. The LOF will be dispatched

to all the eligible Public Shareholders of the Target Company as of the Identified Date. In case of non-receipt of the LOF, such eligible Public Shareholders of the Target Company may download the same from the SEBI's website – (<https://www.sebi.gov.in>) or BSE website – (<https://www.bseindia.com>) or Merchant Bankers' website (<https://www.kjmc.com>) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company.

8.14. Acceptance of Equity Shares:

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot. The minimum marketable lot for the purposes of acceptance of Equity Shares of the Target Company would be 1(One) Equity Share.

8.15. Settlement Process

On closure of the Tendering Period, reconciliation for acceptances shall be conducted by the Manager to the Offer and the Registrar to the Offer and the final list shall be provided to the BSE to facilitate settlement on the basis of Equity Shares transferred to the Clearing Corporation. The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market. Selling Brokers should use the settlement number to be provided by the Clearing Corporation to transfer the Equity Shares in favour of Clearing Corporation. The Equity Shares shall be directly credited to the pool account of the Buying Broker. For the same, the existing facility of client direct pay-out in the capital market segment shall be available. Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the pool account of the Buying Broker. In case of partial or non-acceptance of orders or excess pay-in, demat Shares shall be released to the securities pool account of the Selling Broker / custodian, post which, the Selling Broker would then issue contract note for the shares accepted and return the balance shares to the Public Shareholders.

If the securities transfer instruction is rejected in the depository system, due to any issue, then such Equity Shares will be transferred to the Selling Broker's pool account for onward transfer to the Public Shareholders. In case of custodian participant orders, excess Equity Shares or unaccepted demat Equity Shares, if any, will be returned to the respective custodian participant.

8.16. Settlement of Funds / Payment Consideration

For Equity Shares accepted under the Open Offer, the Public Shareholders holding Equity Shares in dematerialized form will receive funds payout in the Public Shareholders bank account as provided by the depository system from Clearing Corporation. The payment will be made to the Buying Broker by the Acquirer for settlement.

However, in the event that the payouts are rejected by the Public Shareholder's bank accounts due to any reason, the payout will be transferred to the respective Selling Broker's settlement accounts and their respective Selling Brokers will thereafter transfer the consideration to the concerned Public Shareholder.

Public Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling by Public Shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, charges, expenses (including brokerage), securities transaction tax and any other applicable taxes/charges and the Acquirer, Manager to the Offer, Registrar to the Offer and Buying Broker accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholder. In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirer for payment of consideration to the Public Shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirer agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SAST Regulations, 2011.

8.17. Note on Taxation

8.17.1. Taxability of Capital Gain in the hands of the Public Shareholder

As per the provisions of the Income Tax Act, 1961 ("**Income Tax Act**"), capital gains arising from the sale / transfer of equity shares in an Indian company are generally taxable in India.

Gain in excess of Rs. 1 lakh (Rupees one lakh only) realized on the sale / transfer, anytime from April 1, 2018 onwards, of listed equity shares, held for more than 12 (twelve) months, on a recognized stock exchange, will be liable to Long Term Capital Gains tax in India @ 10% (without indexation), if Securities Transaction Tax ("**STT**") is paid on the sale transaction.

The cost of acquisition for the long-term capital asset acquired on or before January 31, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on January 31, 2018, the fair market value will be deemed to be the cost of acquisition.

Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such Long Term Capital Gain (LTCG) taxable under the newly introduced section 112A of the Income Tax Act, 1961.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less, which is sold, will be subject to Short Term Capital Gains tax @ 15 %.

Taxability of capital gain arising to a non-resident in India from the sale of equity shares shall be determined basis the provisions of the Income Tax Act or the Double Taxation Avoidance Agreement entered between India and country of which the non-resident seller is resident, subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("**GAAR**") and providing and maintaining necessary information and documents as prescribed under the Income Tax Act, 1961.

8.17.2. Business Income

Under current Indian tax laws and regulations, income arising from the sale of equity shares in an Indian company may be taxable in India as income from business, depending on the Public Shareholder.

8.17.3. Tax deducted at source

In case of resident Public Shareholders, the Acquirer shall not deduct tax on the consideration payable to resident Public Shareholders pursuant to the Open Offer. Such resident Public Shareholder will be liable to pay tax on their income as per the provisions of the Income Tax Act as applicable to them.

In case of non-resident Public Shareholders, other than Foreign Portfolio Investor, the responsibility of discharge of the tax due on the gains (if any) is on the Seller Broker / custodians / non-resident shareholder since the tendering of shares under the Open Offer is through the recognised stock exchanges in India.

In the case of Foreign Portfolio Investor, Section 196D of the Income Tax Act provides for specific exemption from withholding tax in case of capital gains arising in hands of Foreign Portfolio Investor. Thus, no withholding of tax is required in case of consideration payable to Foreign Portfolio Investor.

In case of interest payments, if any, by the Acquirer for delay in payment of Open Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates under the Income Tax Act.

8.17.4. Others

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

The tax deducted, if any, by the Acquirer while making payment to a Public Shareholder may not be the final tax liability of such Public Shareholder and shall in no way discharge the obligation of the Public Shareholder to appropriately disclose the amounts received by it, pursuant to this Open Offer, before the income tax authorities.

As per the provisions of the Finance Act, 2018, in addition to the basic tax rate, surcharge, health and education cess are leviable.

The Acquirer and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth herein above.

PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OPEN OFFER THROUGH TENDER OPEN OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE SUMMARY OF THE TAX PROVISIONS AS SET FORTH ABOVE SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSE ONLY. THE ACQUIRER DOES NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDERS AS A REASON OF THIS OPEN OFFER.

9. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and copies of the same are available for inspection at the office of the Manager to the Offer at 162, 16th Floor, Atlanta, Nariman Point, Mumbai 400021. from 10.30 A.M. to 3.00 P.M on any Working Day except Saturdays, Sundays and Bank Holidays until the closure of the Offer.

- 9.1. Networth Certificate of the Acquirer dated September 6, 2018 issued by Mr. S. Raghunath of M/s S. Raghunath and Co., Chartered Accountants (Membership No: 34610), having their office at 3/8 Surya Niwas CHS., Colony Road, Next to Axis Bank, Sion (West), Mumbai 400022 and also certifying the Acquirer has adequate and firm financial resources to fulfill the financial obligations under this Open Offer;
- 9.2. Copy of the Annual Reports/ audited financial statements of the Target Company for the financial year ended March 31, 2018, March 31, 2017 and March 31, 2016 and limited review financial statement for the half year ended September 30, 2018;
- 9.3. Copy of Escrow Agreement between the Acquirer, ICICI Bank Limited and the Manager to the Offer, dated September 10, 2018;
- 9.4. Copy of the letter dated September 12, 2018 from ICICI Bank Limited confirming the amount deposited in the Escrow Account;
- 9.5. Copy of the Share Purchase Agreement dated September 7, 2018 executed by and between the Acquirer, Target Company and the Sellers;
- 9.6. A copy of the Public Announcement dated September 7, 2018;
- 9.7. Published copy of the DPS dated September 14, 2018, published on behalf of the Acquirer dated September 15, 2018;
- 9.8. Copy of the RBI Order dated September 11, 2018 and Notice 440.49 / 13.27.002/2018-19 dated October 1, 2018, by way of which the Certificate of Registration of the Target Company, as a non-deposit taking non-banking financial company, has been cancelled.
- 9.9. Copy of the Letter of Waiver dated October 17, 2018 issued by the Acquirer to the Sellers, waiving the condition precedent of obtaining RBI's approval under the NBFC Directions, in terms of SPA.
- 9.10. Published copy of the Corrigendum dated October 20, 2018 published on behalf of the Acquirer on October 22, 2018;
- 9.11. Copy of the recommendation to be made by the committee of independent directors of Target Company, in relation to this Offer; and
- 9.12. Copy of the observation letter dated November 15, 2018 from SEBI containing its comments on the Draft Letter of Offer;

10. DECLARATION BY THE ACQUIRER

The Acquirer accepts full responsibility for the obligations of the Acquirer as laid down in terms of the SAST Regulations and for the information contained in the LOF. The Acquirer also accepts full responsibility for his obligation under the Offer and shall be liable for ensuring compliances with the provisions of the SAST Regulations.

The Manager to the Offer hereby states that the person signing this LOF is the Acquirer and is legally authorized to sign this LOF.

For and on behalf of the Acquirer

Sd/-

Mr. Murzash Sohrab Manekshana

Place: Mumbai

Date: November 26, 2018